INDEPENDENT SECTOR is a nonprofit coalition of over 600 corporate, foundation and voluntary organization members. The organization's mission is to create a national forum that encourages the giving, volunteering and not-for-profit initiative that help all of us better serve people, communities and causes.

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Dimensions of the Independent Sector

A Statistical Profile

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Murray S. Weitzman

Second Edition

INDEPENDENT SECTOR
1828 L Street, N.W.
Washington, D.C. 20036

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Dimensions of the Independent Sector is the second biennial edition in a planned series providing statistical profiles of the independent sector in the United States. This profile was developed, compiled, and written by Virginia Ann Hodgkinson, Vice President for Research at INDEPENDENT SECTOR, and Murray S. Weitzman, INDEPENDENT SECTOR consultant to this project, formerly Chief Staff Director of Social Indicators for the U.S. Bureau of the Census. William Hoffman, currently at the Washington Office of the College Entrance Examination Board, ably served as research assistant to this project.

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FOREWORD

The organization INDEPENDENT SECTOR was formed to encourage the fullest possible development of philanthropy and voluntary action in the United States. To do so requires an understanding of past and present dimensions and trends of giving and volunteering and not-for-profit endeavor in general. Therefore, one of our initial purposes is to foster research in and on the sector and to publish what is known about it. ***Dimensions of the Independent Sector*** is our attempt to pull together much that is already known statistically about givers and volunteers and the organizations through which they serve.

The creation of these initial editions has taught us as much about what we don't know as it has about what we do know. We now know much more about the pervasiveness of giving and volunteering among all parts of the population, but we are all the more aware of how little we know about the extent to which churches affect their communities. We have a far better picture of who volunteers for what activity, but very little hard data about why they do it. The process of organizing this information has sharpened our understanding of what is known and what we need to learn—both essential elements in creating a body of knowledge and building a research enterprise.

More important than the statistics—as important as they are—is our expanded understanding of what all the caring and participation say about the kind of people we are. Ultimately, that is the only dimension that really counts. If the statistics can help expand our humanity, they will serve well the purpose that we originally set out.

The first edition published in 1984 was a remarkable beginning. This second effort is even better. Indeed it is a giant step in comprehensiveness and significance. Primary credit and thanks go to Virginia Hodgkinson, Vice President for Research at INDEPENDENT SECTOR. She would want me to acknowledge the able participation of Murray Weitzman. Both have provided a magnificent service.

Brian O'Connell
President
INDEPENDENT SECTOR

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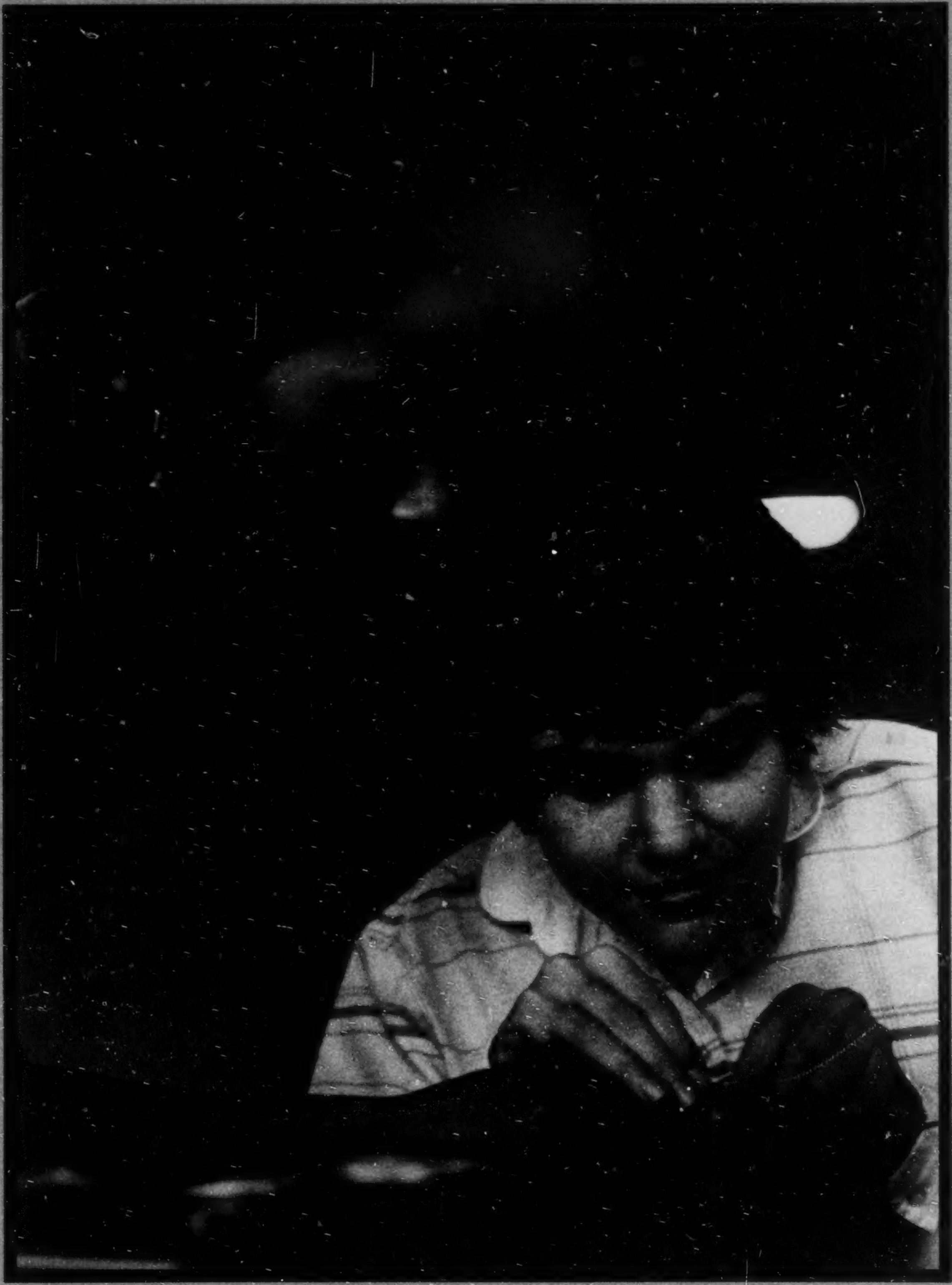


INTRODUCTION

Dimensions of the Independent Sector is the second in a biennial series of statistical profiles on the independent sector in the United States—variously known as the voluntary sector, the third sector, or the nonprofit sector of American society. This report focuses on the independent sector as an important part of American society and provides historical data for the analysis of major trends within the sector. It describes and charts the activities of groups and individuals associated with this sector—voluntary organizations, foundations, the social responsibility programs of corporations, and people who contribute time and money. The information used in this report comes from a variety of public and private sources.

Because the sector is so diverse and because there are many gaps in the information available on parts of the sector, this profile provides an initial framework to describe the ways in which this sector fits into American society, the various functions it performs, and, where possible, the people it serves. Every step, from defining the sector to estimating its sources and uses of support, posed major challenges. Numbers and estimates are used; however, in some cases there is no second source to check against, especially in the categories of giving, volunteering, and the whole subsector of religion. It is hoped that this profile will stimulate the regular collection of data on the independent sector by public and private agencies, and that such collections will encourage further research and analysis of this important segment of American society.

Since the first edition of *Dimensions of the Independent Sector* in 1984, the findings of new national surveys and studies have been completed. These include a national survey on the charitable behavior of Americans conducted by Yankelovich, Skelly and White, Inc.; a national survey on volunteers in the United States conducted by the The Gallup Organization, Inc.; the results from the 1982 Census of Service Industries; the results from two national samples of the Form 990 tax returns of private foundations and charitable organizations conducted by the Statistics of Income Division of the Internal Revenue Service; and the results of the first round of a study of nonprofit organizations in 16 locations conducted by The Urban Institute's Nonprofit Sector Project.These recent studies provided valuable information for preparation of the second edition of this statistical profile.

Dimensions of the Independent Sector is organized into several parts. The first section contains the highlights of the report. The statistical profile is contained in four chapters. The last section includes two appendixes—one on the framework and methodology used in developing this profile and the other, a short glossary of terms.

Chapter One provides an overview of the independent sector and its place in the U.S. economy. Several dimensions of the independent sector are summarized in relation to other sectors in the economy. Among these dimensions are national income originating in the independent sector, employment and earnings from work, and number of organizations. This chapter summarizes the major trends in the independent sector that are described in detail in the rest of the profile and compares these trends with those in business and government.

Chapter Two provides a summary of the total sources and uses of support for the independent sector. It describes trends in total sources of support, which include private contributions; dues, fees, and charges; other income; the assigned value of volunteer time; and government support. Then the chapter considers trends in the total uses of support including employment—both paid and volunteer—and other current operating expenditures. Finally, the trends in assets or capital wealth of this sector are reviewed.

Chapter Three provides detailed description and analysis of the total private sources of support for the independent sector. These private sources of support include individual giving, volunteering, foundation giving, and corporate contributions.

Chapter Four provides profiles of the subsectors of the independent sector including health services; education and research; religious organizations; social services; civic, social, and fraternal organizations; arts and cultural organizations; foundations; and legal services organizations. In each of these subsectors information is provided on the number of organizations; trends in employment, wages and salaries; trends in the total sources and uses of funds; and trends in current operating expenditures.

There are two appendixes to this profile. Appendix A describes the framework and methodology used to prepare the estimates contained in the profile and summarizes the major gaps that prevent the fuller development of information on this sector. Appendix B contains a glossary of terms.

To sharpen the perspective for viewing this sector, we have provided, wherever possible, information covering at least three specific years—1977, 1982, and 1984. For the years 1974, 1980, and 1985 there is information on volunteering, an important consideration for the independent sector; 1977 and 1982 are the most recent years for which employment and payroll data and expenses for many tax-exempt organizations are available from the Censuses of Service Industries conducted in 1978 and 1983.

The independent sector is composed of very large subsectors and comparatively small ones when measured in terms of current operating expenditures or employment. In an effort to be comprehensive and in recognition that the contributions of different sectors cannot always be measured in dollars, all sectors have been included and estimates were made even though their reliability may be substantially less than the estimates for some of the subsectors, such as hospitals and colleges and universities. As a working rule, estimates of current operating expenditures, wages and salaries, and other amounts expressed in dollars were usually rounded to the nearest hundred million. Employment estimates were rounded to the nearest thousand. Although such rounding has little impact on larger subsectors, for the smaller ones the impact can be substantial.

This profile is part of a planned effort to define the scope of the independent sector in one document from a variety of sources. In future editions, we hope to provide more detailed information on religious institutions and the international activities of U.S. organizations, as well as to provide comparisons of the U.S. independent sector with the corresponding sectors of other countries.

The format in this report has been revised to enable readers to more easily find the information they seek. Each chapter has two parts: (1) an introductory essay, which provides an analysis of the information contained in that section along with a complete list of references; and (2) a section of tables and figures with notes and some descriptive text.

HIGHLIGHTS

Dimensions of the Independent Sector is the second biennial edition of a statistical profile of the independent sector of American society, which too often has been neglected in other statistical profiles about the United States. The goal of this report is to broaden public awareness and understanding of this important part of American life by describing its size, scope, and functions. The diverse independent sector includes a vast array of voluntary and philanthropic institutions that provide a variety of services to Americans. This profile has been compiled from a variety of public and private sources. In order to provide a perspective about this sector and its place in the American economy and society, the authors have estimated the size and scope of the sector when no data have been collected. It is hoped that this report will stimulate further analytical and statistical research on the independent sector.

The Independent Sector: An Overview

Chapter One provides an overview of the independent sector and its place in the U.S. economy. The size and scope of the sector are related to several major national indicators in order to measure the position of the sector in relation to the national economy. Generally, the base years of observation used in this report are 1977 through 1984, but it does include estimates for earlier years as well as for 1985 for volunteering.

- **Overall, the independent sector grew faster than other sectors in the national economy between 1977 and 1982.** After 1982, this trend reversed. From 1977 to 1982, the independent sector increased its share of national income from 5.2 percent ($84.4 billion) to 5.8 percent ($155.8 billion). From 1982 to 1984, its share of national income declined to 5.6 percent ($176.3 billion). These figures include the value of volunteer time, which increased from $32.7 billion in 1977 to $74.4 billion in 1984 (2.4 percent of national income).

- **From 1977 to 1982, the independent sector increased its share of total earnings from work from 6.7 percent ($75.9 billion) to 7.5 percent ($139.2 billion).** From 1982 to 1984, its share of total earnings from work declined to 7.2 percent ($157.1 billion). These figures include the value of volunteer time, which increased its share of total earnings from work from 2.6 percent ($29.2 billion) to 3.2 percent ($58.5 billion) between 1977 and 1982. From 1982 to 1984, this share declined slightly to 3.1 percent ($66.5 billion).

- **From 1977 to 1982, the independent sector increased its share of total employment from 8.6 percent (8.8 million) to 9.7 percent (11.0 million).** From 1982 to 1984, its share of total employment declined to 9.5 percent (11.4 million). These figures include volunteer time, which accounted for the equivalent employment of 3.3 million employees in 1977 and 4.7 million employees in 1984. Had estimated volunteer employment not increased nearly 5 percent between 1982 and 1984, the decline in the rate of growth in employment in the independent sector in relation to the rest of the economy would have been more severe.

- **Employment in the independent sector increased at an annual rate of 3.7 percent from 1972 to 1982, which was much faster than the annual rate of growth for all nonagricultural employees (2.0 percent) during this period.** From 1982 to 1984, the annual rate of growth for all nonagricultural employees was 2.7 percent, compared with 1.0 percent in the independent sector.

- **In 1984, the independent sector was estimated to comprise 821,000 organizations.** These included tax-exempt voluntary and philanthropic organizations, such as schools; hospitals; social service organizations; advocacy organizations; civic, social, and fraternal organizations, arts and cultural organizations, and foundations; and religious institutions, such as churches, synagogues, and mosques. The independent sector represented 4.6 percent of all institutional entities in 1977 and 4.2 percent in 1984.

- **Americans rely on nonprofit organizations for many varied services as measured by current operating expenditures, and the independent sector accounts for at least 90 percent of these organizations' total activity.** In 1984, such expenditures approached $210 billion—18 percent of all services in the personal consumption expenditures component of the gross national product. This share was down from an estimated high of 19.1 percent recorded for 1973 through 1975.

- **The per capita operating expenditures in constant (1972) dollars, which adjusts for both population and price changes, increased 71 percent between 1960 and 1981 ($341).** Since 1981, there has been no constant-dollar increase in per capita expenditures. The value of volunteer time increased the per capita expenditures of nonprofit organizations by 39 percent in 1984, from $886 to $1,235 in current dollars.

The Total Sources and Uses of Support for the Independent Sector

Chapter Two examines trends in the independent sector's sources of support and uses of resources. It also reviews trends in employment—both paid and volunteer—in current operating expenditures and in capital wealth or assets of the sector. Although the 1970s were characterized by an increasing reliance on government support for many of the sector's activities, the trends in the 1980s show an increased reliance on private contributions and volunteer time.

- **In 1984, the independent sector had annual funds totaling about $253 billion from the following sources:** private contributions and government, 26.9 percent each; dues, fees, and charges, 37.8 percent; and other receipts including endowment and investment income, 8.4 percent.

- **Between 1977 and 1982, total annual funds for the independent sector increased 86 percent, from about $114 billion to $213 billion.** Total annual funds increased 10 percent from 1982 to 1983 and 8 percent from 1983 to 1984, indicating a gradual slowdown in the rate of growth in this sector. The share of total annual funds from government peaked at 27.8 percent in 1980, then declined to 26.9 percent in 1984. At the same time, private contributions declined from 29.6 percent of total annual funds in 1977 to a low of 26.2 percent in 1982, and then increased slightly to 26.9 percent in 1984.

- **In 1984, the total sources of support in the independent sector exceeded $333 billion; $80.0 billion of this amount represents the assigned value of volunteer time.** The assigned value for volunteer time increased from 23.5 percent ($35.1 billion) in 1977 as a proportion of the total sources of support to a high of 25.8 percent ($56.9 billion) in 1980, after which it declined to 24.0 percent ($80.0 billion) in 1984.

- **Private contributions and the assigned value of volunteer time together accounted for 44.5 percent ($148.3 billion) of the total sources of support for the independent sector—the largest share—in 1984.** In comparison, government support accounted for 20.4 percent ($68.2 billion).

- **The proportion of funds expended for paid and volunteer personnel declined to 54.5 percent ($181.9 billion) in 1984 from 58.1 percent ($86.8 billion) in 1977.** The share for paid personnel declined from 31.3 percent ($46.7 billion) in 1977 to 27.2 percent ($90.6 billion) in 1984. Volunteer time as a proportion in the use of funds, equal to its assigned value as a source of support, increased from 23.5 percent ($35.1 billion) in 1977 to a high of 25.8 percent ($56.9 billion) in 1980, and then declined to 24.0 percent ($80.0 billion) in 1984.

- **Average annual wages and salaries have always been lower in the independent sector than in business or government.** In 1984, the average annual wage or salary for an employee in the independent sector was $13,569 compared with $19,038 for the other nonagricultural sectors. The gap between the average annual wage or salary in the independent sector and that in the other nonagricultural sectors widened between 1977 and 1984. Average annual wages and salaries declined from 73 percent of wages and salaries in the other nonagricultural sectors of the economy in 1977 to 71 percent in 1984.

- **Employees in the independent sector differ significantly by race and sex from the employees on nonagricultural payrolls.** Two-thirds of the employees in the independent sector in 1984 were female compared with 45 percent for all employees. Blacks made up 14 percent of all employees in the independent sector, compared with 9.5 percent for all employees.

- **Volunteer time represented 41 percent of the total employment in the independent sector in 1984.** Volunteers and paid personnel together amounted to the equivalent of 11.4 million employees.

- **Volunteers accounted for 77 percent of total employment in religious organizations in 1984; 61 percent in arts and cultural organizations; 53 percent in civic, social, and fraternal organizations; 52 percent in social services; 20 percent in education; and 14 percent in health services.**

- **The assigned values of volunteer time had a major impact on current operating expenditures for the independent sector and for particular subsectors.** In 1984, the assigned value of volunteer time increased current operating expenditures by 37 percent, from almost $202 billion to more than $275 billion. The value of volunteer time tripled the actual current operating expenditures in religious organizations, from $17 billion to $52 billion, and nearly doubled those of social services, from about $20 billion to about $37 billion.

- **Total assets of 501(c)(3) organizations, excluding religious institutions, increased 145 percent, from $134 billion in 1974-75 to about $328 billion in 1982.**

- **The asset position of various major subsectors of the independent sector varied over this period.** Assets at hospitals grew 157 percent from 1975 to 1982 in contrast to assets at schools, which grew 57 percent. Foundation assets grew 89 percent from 1974 to 1982. Assets of all other 501(c)(3) organizations combined grew 349 percent.

Trends in Private Sources of Support for the Independent Sector

Chapter Three examines trends in total private sources of support for the independent sector, including trends in individual giving, volunteering, foundation giving, and corporate contributions.

- **Total contributions exceeded $73.3 billion in 1984.** Total contributions represented 2.41 percent of national income in 1984, which reflected a steady increase in contributions since 1978, when contributions as a percentage of national income had declined to a low of 2.21 percent.

- **The fivefold increase in private, per capita contributions in current dollars between 1960 and 1984 contrasts greatly with per capita giving in constant (1972) dollars, which was $120 in 1960 and $119 in 1984.** Per capita contributions peaked in constant dollars at $130 in 1968 and 1969, then declined to a low of $106 in 1975. Per capita contributions subsequently increased fairly steadily to $119 in 1984, except for 1982 and 1983 when they averaged $112.

- **Approximately 90 percent of gifts came from living persons and personal bequests.** Per capita individual giving in constant (1972) dollars reached $99 in 1984, the highest level it had been since 1955. As a percentage of personal income, individual giving rose from 1.88 percent in 1979 to 1.96 percent in 1984, the highest it had been since 1972.

- **Estimates of giving by households show that, in 1984, 17 percent of all giving came from the 45 percent of the households with incomes below $20,000; 46 percent came from the 42 percent of households with incomes between $20,000 and $50,000; 37 percent came**

from the 13 percent of households with incomes over $50,000.

- **In 1984, the Americans who reported gifts to charity (89 percent of the total) gave an average of $650 to charity, for an average of 2.4 percent of total household income.**

- **Foundation giving as a proportion of total giving grew rapidly during the 1960s and peaked at 9.0 percent of total giving in 1970.** Restrictive government regulation and inflation during the 1970s caused foundation giving as a proportion of total giving to decline to 5.7 percent in 1980. In 1984, foundations gave $3.9 billion to charity—5.3 percent of the total charitable contributions.

- **Between 1970 and 1980, contributions from corporations showed the greatest growth after individual giving.** In 1984, corporations gave $3.8 billion to charity—5.2 percent of the total charitable contributions.

- **In 1985, 89 million Americans 14 years of age or older, 48 percent of this population, reported volunteering an average of 3.5 hours per week, totaling 16.1 billion hours for the year.** This total represents a 27 percent increase over the 12.7 billion hours contributed by volunteers in 1980.

Profiles of Organizations in the Independent Sector by Subsector

Chapter Four provides financial profiles of the major subsectors of the independent sector, including health services; civic, social, and fraternal organizations; arts and cultural organizations; and foundations. These subsectors depend on revenues from a variety of sources, including income from private contributions; dues, fees, and charges; government support; and other income, such as endowment. However, the reliance on any one of these sources or a combination varies by subsector.

- **In 1984, the total annual funds for the independent sector were estimated to exceed $253 billion.** Total annual funds increased from $114 billion in 1977 to almost $213 billion in 1982 (86 percent); from 1982 to 1984, the annual funds increased another 19 percent. In 1984, two subsectors together were responsible for nearly three-quarters of the total annual funds of the independent sector: the health services subsector accounted for almost $126 billion (50 percent of the total annual funds), while the education and research subsector accounted for $57 billion (23 percent).

- **The growth in total annual funds varied significantly by subsector from 1977 to 1984.** Annual funds increased 145 percent in health services; 138 percent in foundations; 112 percent in religious institutions; 108 percent in education and research; 97 percent in arts and culture; 88 percent in social services; and 67 percent in civic, social, and fraternal organizations. As a result of these very different growth rates in annual funds among subsectors, the health services subsector increased its proportion of total annual funds from 44.9 percent in 1977 to 49.6 percent in 1984, whereas the share for the education and research subsector declined from 24.0 percent to 22.5 percent, and the share for the social services subsector declined from 10.0 percent to 8.4 percent.

- **The proportion of total annual funds by source varies by subsector.** In 1984, private contributions, which exceeded $68 billion, approached 27 percent of the total annual funds for the independent sector. These private contributions represented 8.3 percent of the total annual funds in health services (down from 9.7 percent in 1977); 14.5 percent in education and research (no change from 1977); 37.4 percent in social services (up from 30.7 percent in 1980); 30 percent in civic, social, and fraternal organizations; and 66.7 percent in arts and cultural organizations. Foundations rely on a combination of gifts from individuals and income from endowment for their total support.

- **Dues, fees, and charges represented approximately 37.8 percent (almost $96 billion) of the total annual funds for the independent sector in 1984.** The proportions of total funds from this source by subsector ranged from 53.4 percent in education and research and 48.4 percent in health services to 12.6 percent in social services (up from 9.6 percent in 1977); 12.9 percent in civic, social, and fraternal organizations; and 10.1 percent in arts and cultural organizations.

- **Government provided almost 27 percent of the total annual funds for the independent sector in 1984.** The proportions of total funds from this source by subsector were 35.4 percent in health services (up from 32.4 percent in 1977); 17.0 percent in education and research (down from 19.1 percent in 1980); 43.9 percent in social services (down from 53.5 percent in 1977); and 50.0 percent in civic, social, and fraternal organizations.

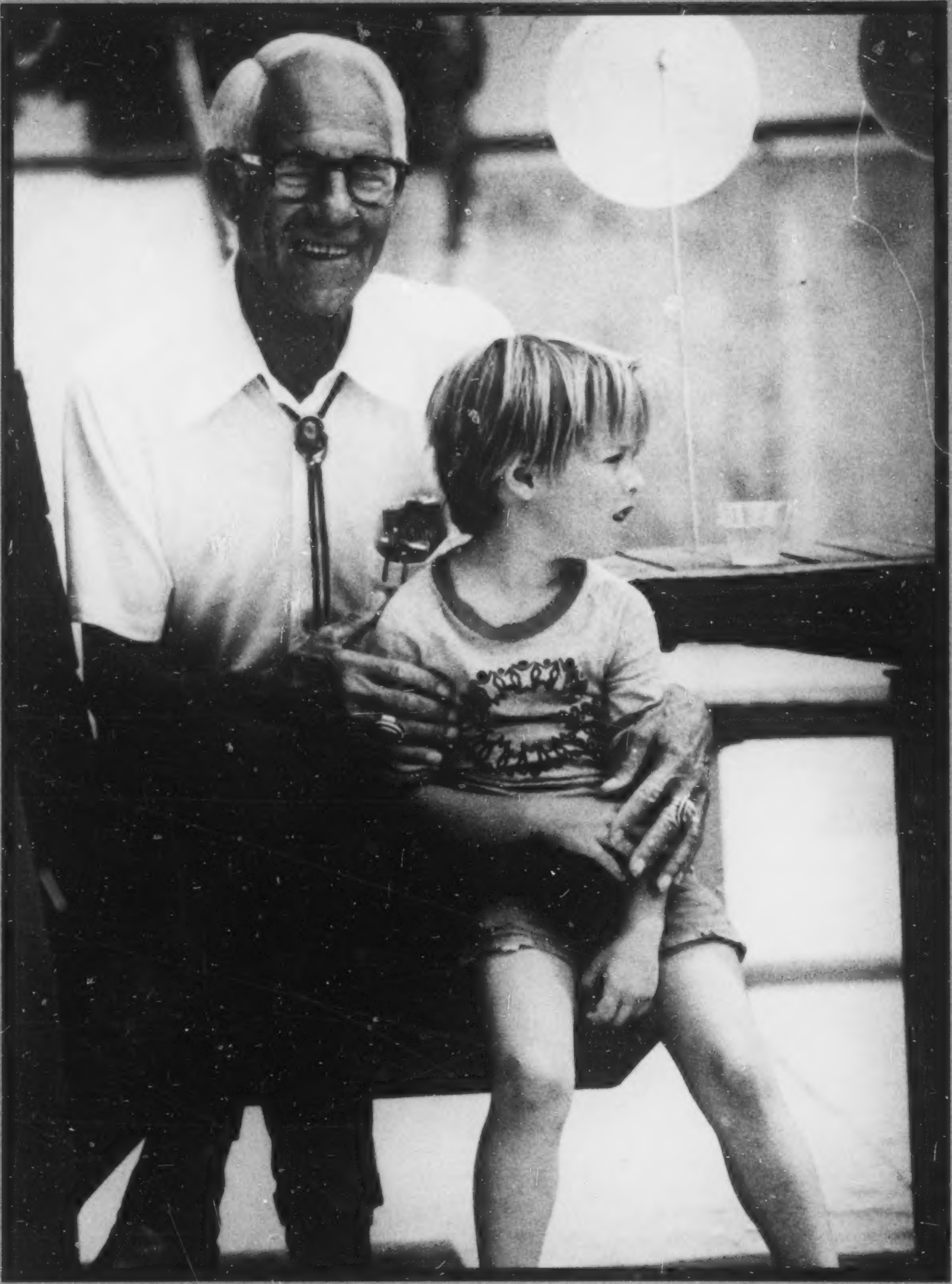
- **The total current operating expenditures in the independent sector approached $202 billion in 1984.** This represented an increase of 121 percent over current operating expenditures in 1977, with the major increase (88 percent) occurring between 1977 and 1982. The four largest subsectors accounted for approximately $190 billion (95 percent) of total expenditures: health services, almost $105 billion (52 percent); education and research, almost 49 billion (24 percent); social services, almost $20 billion (10 percent); and religious organizations, $17 billion (9 percent). Other subsectors—such as civic, social, and fraternal organizations, arts and cultural organizations, foundations (including international activities), and legal services—accounted for approximately $11 billion (5 percent).

- **The independent sector had 6.7 million paid employees in 1984.** Employment increased 18.5 percent between 1977 and 1982 and 2.0 percent between 1982 to 1984. Approximately 75 percent of volunteer time—the full-time equivalent of 4.7 million volunteer employees—was spent in the independent sector.

- **Total wages and salaries in the independent sector approached $91 billion, 5.1 percent of total wages and salaries for all employees on nonagricultural payrolls.** Wages and salaries in the independent sector increased 73 percent from 1977 to 1982 and another 12 percent from 1982 to 1984.

- **Four subsectors accounted for 93 percent of total employment in the independent sector in 1984:** health services, which was responsible for 46.7 percent of sector employment (down slightly from 47.0 percent in 1982); education, 22.2 percent (down from 23.2 percent in 1977); religious organizations, 9.7 percent (down from 12.3 percent in 1977); and social services, 14.6 percent (up from 12.7 percent in 1977).

- **Although most subsectors showed a slowdown in the growth of total annual funds and, accordingly, in current operating expenditures and employment, the social services subsector revealed the most substantial changes in trends in funding, employment, and operating expenditures.** Between 1977 and 1984, this subsector's share of total annual funds as a percentage of the total funds for the independent sector declined from 10.0 percent to 8.4 percent and government support declined from 53.5 percent to 43.9 percent of annual funds. Private contributions declined from 31.6 percent in 1977 to a low point of 30.7 percent in 1980, and then increased steadily to 37.4 percent in 1984. Payments in the form of dues, fees, and charges increased steadily from 9.6 percent in 1977 to 12.6 percent in 1984. Total employees increased 29.1 percent from 1977 to 1982 and another 7.2 percent from 1982 to 1984; this rate of growth was higher than that in the independent sector as a whole. While its proportion of total annual funds was declining and its employment increasing between 1977 and 1984, the social services subsector increased its share of the total current operating expenditures for the independent sector from 9.1 to 9.9 percent. Also during this period, the social services subsector steadily increased the proportion of its total annual funds used for current operating expenditures from 73 percent to 93 percent. In 1977, the social services subsector had nearly one-quarter of its funds in reserve; by 1984, the reserve was down to 4 percent. This trend reflects the growing inability of the subsector to provide funds for purposes other than current operating expenditures. The drawdown on reserve funds is an indication of the increasing fiscal restraints on the subsector as a result of major cutbacks in federal funding while the sector continues to grow.



CHAPTER ONE
THE INDEPENDENT SECTOR: AN OVERVIEW

The independent sector encompasses what has been called the third, or voluntary, sector of American life. It is a diverse sector including a wide range of institutions such as religious organizations, private colleges and universities, foundations, hospitals, day care centers, youth organizations, advocacy groups, and neighborhood organizations, to name but a few. But its community transcends sectors and includes millions of individual donors and volunteers, as well as the social responsibility programs of corporations.

For the purposes of this profile, the independent sector consists of those nonprofit organizations that are defined as 501(c)(3) and 501(c)(4) organizations under the federal tax code for tax-exempt organizations. These organizations include educational, scientific, religious, and other charitable organizations, as well as private foundations, corporate and community organizations, and civic and social welfare organizations. These organizations represent a major part of all nonprofit organizations. Social responsibility programs of corporations are described and counted as contributors to the sector, but tables giving trends in numbers, programs, and finances for the independent sector refer only to those organizations that have the particular tax-exempt status as just defined.

The purpose of this statistical profile is to describe the dimensions and scope of the independent sector. In order to reveal the dimensions of the independent sector in relation to other nonprofit organizations, however, some of the tables presented in this profile show totals for all nonprofit organizations.

Since colonial times, the independent sector has been an important part of American life and, accordingly, of the economy. The purpose of this chapter is to estimate the dimensions of this sector within the context of the American economy. The independent sector interacts with both the for-profit and the government sectors in many ways, but especially through its contributions to the quality of life and community development. This chapter provides an overall description of the size of the independent sector in terms of its share of national income, its share of total U.S. employment and earnings from work, and the number of organizations it encompasses. The final section of this chapter addresses significant trends in the independent sector in relation to other sectors of the U.S. economy. Hence, this chapter summarizes the major findings about this sector, which are detailed in the chapters that follow.

National Income Originating in the Independent Sector

One way to determine the size and scope of the independent sector is to estimate its proportion of national income. The national income of the United States for a given year is the measure of the total factor costs, including labor and property earnings, associated in the production of the goods and services of the economy. The figure excludes depreciation allowances and indirect business taxes that are included in the larger aggregate figure of the gross national product. For all private, nonprofit organizations and government, only compensation of employees (including wages and salaries and supplements to wages and salaries, such as employer contributions for social insurance, pension plans, and health insurance) is counted in estimates of national income. Returns from capital are included only for the for-profit sector.

In 1984, the total national income, including the assigned or imputed value for volunteer time and unpaid family workers, was $3.144 trillion (Table 1.1). The independent sector's share of national income was 5.6 percent, $176.3 billion. In comparison, in 1984, the for-profit sector's share of national income was 79.3 percent and the government's share was 14.5 percent.

From 1977 to 1982, the independent sector grew faster than business or government. Total national income originating in the independent sector increased 85 percent in current dollars, from $84.4 billion to $155.8 billion. In comparison, total national income originating from business increased 62 percent and that from government, 65 percent. As a result of this differential growth, the independent sector increased its proportion of national income from 5.2 percent in 1977 to 5.8 percent in 1982.

From 1982 to 1984, the rate of growth in the independent sector declined relative to the rate for business and government. During these two years, total national income in current dollars increased 13 percent in the independent sector, 19 percent in business, and 14 percent in government. In 1984, as a result of this decline in growth, the independent sector's share of national income declined to 5.6 percent.

Imputing the assigned value of volunteer time is important in calculating this unique contribution to the independent sector and, accordingly, to American society. In 1984, the value of volunteer time increased the independent sector's share of national income by $74.4 billion (2.4 percent). If the value of volunteer time had not been imputed, the independent sector's proportion of national income would have been only 3.2 percent, $101.9 billion.

Earnings from Work in the Three Sectors of the Economy

In 1984, Americans earned approximately $2.169 trillion. As shown in Table 1.2, wages and salaries accounted for $1.835 trillion (84.6 percent); $233.7 billion (10.8 percent) came from self-employed workers; $93.5 billion (4.3 percent) was contributed by volunteers; and $6.8 billion (0.3 percent) was contributed by unpaid family workers. In other words, in 1984, earnings from work in this nation would have been $2.069 trillion rather than $2.169 trillion were it not for the assigned value of $100 billion in unpaid earnings.

In 1984, the independent sector accounted for $157.1 billion of total earnings from work (7.2 percent). This represented 90.8 percent of nonprofit organizations' total earnings from work. Of this $157.1 billion, $90.6 billion (approximately 4.2 percent of total earnings from work) represented earnings contributed through work by volunteers to the independent sector. In 1984, business accounted for 75.3 percent of total earnings from work, and government accounted for 16.8 percent.

Between 1977 and 1982, total earnings from work in the independent sector increased 83 percent, from $75.9 billion to $139.2 billion. Earnings of paid employees increased 73 percent, and earnings contributed by volunteers increased 100 percent. Total earnings from work increased 64 percent in the business sector and 53 percent in government. Because total earnings from work grew faster in the independent sector than in other sectors of the economy, the independent sector increased its share of total earnings from work from 6.7 percent in 1977 to 7.5 percent in 1982. From 1982 to 1984, the trend was reversed. Total earnings from work increased 12.9 percent in current dollars, from $139.2 billion to $157.1 billion. Earnings of paid employees increased to 12.3 percent, and earnings contributed by volunteers increased by 13.7 percent. During these two years, total earnings from work increased 18.7 percent in business and 13.3 percent in government. As a result of a slower rate of growth in the independent sector, its share of total earnings from work declined from 7.5 percent in 1982 to 7.2 percent in 1984.

Employment in the Independent Sector Compared with Employment in Other Sectors of the Economy

Employment is defined as paid wage and salary workers working either full-time or part-time, self-employed workers, and persons working without pay, including volunteers and unpaid family workers. For the purpose of Table 1.3, estimates of the amount of time contributed by volunteers have been converted to full-time equivalent employment (1,700 hours of work per year). In 1984, an estimated 119.80 million people worked and 112.65 million (94.0 percent) received pay. Another 6.0 percent contributed work for no pay. Of this group, 5.5 percent, the equivalent of 6.6 million, were volunteers and 0.5 percent were unpaid family workers. Volunteer employment was found primarily in the independent sector. In 1984, volunteers accounted for 4.7 million full-time equivalent employees in the independent sector, 514,000 in other nonprofit organizations, 191,000 in business, and 1.2 million in government.

Between 1977 to 1982, employment grew at a faster rate in the independent sector than in business or government. The total number of paid employees increased 18.5 percent and full-time equivalent volunteers, 37.0 percent. Total employment—both paid and volunteer—increased 25.4 percent. During this period, the total number of employees in business increased 9.8 percent and the number in government, 6.9 percent. As a result of this rate of growth, the independent sector's share of total employment increased from 8.6 percent in 1977 to 9.7 percent in 1982.

From 1982 to 1984, growth in total employment was slower in the independent sector than in business. During this period, paid employees increased 2.1 percent and full-time equivalent workers increased 4.8 percent, for an overall increase of 3.2 percent in total employees. During this same period, the total number of employees in business increased 6.5 percent and in government, 2.2 percent. Had total volunteer employment not increased almost 5 percent from 1982 to 1984, the decline in the rate of growth in employment in the independent sector would have been more severe. From 1982 to 1984, the independent sector's share of total employment declined from 9.7 percent to 9.5 percent.

The Size of the Independent Sector Compared with the Size of Business and Government

Counting the number of institutions in the independent sector is a challenge, for their number includes nonprofit, tax-exempt organizations as determined by tax law and religious institutions, which by law do not have to report to the federal government. But the independent sector also includes several thousand organizations defined as public charities which had annual revenues of less than $5,000 and are not required to apply for tax-exempt status; the social responsibility programs of corporations which file different tax forms; and nonprofit organizations that file omnibus tax forms covering many separate organizations nationwide, such as the Boy Scouts. In other words, one tax form can cover several hundred separately incorporated Boy Scout Councils.

Of the estimated 1.2 million nonprofit organizations in 1984, the U.S. Department of the Treasury reported approximately 838,000 on its Master File (Table 1.4). The number of nonprofit organizations included in the independent sector are covered in the 501 series of the tax code for tax-exempt organizations. The Internal Revenue Service reported that 352,884 organizations in 1984 had 501(c)(3) tax-exempt status. These organizations engaged in all types of educational, research, scientific, religious, philanthropic, and other charitable activities. Other tax-exempt organizations serving primarily charitable purposes also are included in the definition of independent sector organizations in this profile. There were 130,344 organizations in the 501(c)(4) category (composed primarily of civic leagues and social welfare organizations) reported by the Internal Revenue Service in 1984. By law, 501(c)(3) organizations are eligible to receive contributions that are tax-deductible for both individuals and corporations. Although 501(c)(4) organizations are tax-exempt, generally these organizations cannot receive tax-deductible contributions.

Churches are tax-exempt by statute and do not have to file for tax-exempt status with the Internal Revenue Service. About 50,000 religious organizations are included among the 483,000 independent sector organizations reported in 1984, but they are primarily social welfare organizations or schools run by the various denominations. If a church does apply for tax-exempt status, it receives blanket coverage for all its units. Because of such rulings, and because many small organizations with less than $5,000 in revenues do not have to apply for tax exemption, the number of organizations in the independent sector is greatly understated.

The most recent estimate of the number of churches, synagogues, and other religious organizations was 338,244 for 1983-84, as reported in the annual *Yearbook of American and Canadian Churches* and the *Statistical Abstract of the United States* (Table 1.5). Adding independent sector organizations together with churches brings the total number of independent sector organizations estimated in 1984 to approximately 821,000, as shown in Table 1.6. This table gives the breakdown of the three major sectors in terms of numbers of entities. All told, there were approximately 19.4 million such entities. In 1984, the independent sector accounted for 4.2 percent of all organizations operating in the United States. Private, nonprofit organizations represented about 6 percent of all organizations. In comparison, the 18.1 million business organizations that filed federal income tax forms represented approximately 94 percent of total U.S. organizations, while all government entities (federal, state, and local) accounted for 82,000 units—less than 1 percent of all organizations. In terms of numbers of entities, the independent sector's share declined from 4.6 percent in 1977 to 4.2 percent in 1984, indicating that the rate of establishment of new organizations was slower in this sector than in business.

Selected Indicators for the Independent Sector in Relation to Those for Other Sectors of the Economy

A quantitative indicator of the independent sector's commitment and contribution to improving the quality of life for individuals and communities can be conceived as the relationship between its total expenditures and the total American population. Because the data are not available solely for the independent sector, expenditure estimates have been developed which refer to all private, nonprofit organizations. However, more than 90 percent of both employment and earnings from work of all private, nonprofit organizations are estimated to be attributable to the independent sector.

Current operating expenditures for all nonprofit organizations are estimated to have increased from approximately $18.2 billion in 1960 to $209.8 billion in 1984, as shown in Table 1.7. In constant 1972 dollars, these expenditures ranged from $36.2 billion in 1960 to $80.7 billion in 1984, an increase of 123 percent. During this period, the American population increased from 181 million to 238 million, 31 percent. Therefore, in 1972 dollars, nonprofit organizations expended $200 in 1960 and $341 in 1984 for every man, woman, and child in the United States, which amounts to an increase of 71 percent for the period. However, from 1981 to 1984, per capita expenditures showed no real increase.

The previous total and per capita expenditure estimates for all nonprofit organizations did not include assigned dollar value of time contributed by volunteers, but such estimates can be made by adding to total expenditures the assigned dollar value estimates for volunteer contributions. When these computations are made, as shown in Table 1.8, per capita expenditures in current dollars for all nonprofit organizations increase from $451 to $616 in 1977 and from $886 to $1,235 in 1984. The inclusion of assigned dollar values for time contributed by volunteers increases the per capita expenditures by 37 percent in 1977 and by 39 percent in 1984.

Another quantitative indicator of the independent sector's relationship to American society is a comparison of its absolute and relative share of services (in terms of expenditures stemming from nonprofit organizations) compared with total personal consumption expenditures and total services. Table 1.9 presents this comparison. In current dollars from 1960 to 1984, expenditures for nonprofit organizations increased from 13.9 percent of total services in 1960 to a high of 19.1 percent for a three-year period extending from 1973 and ending in 1975, a year in which a trough in the business cycle was recorded in March. After 1975, expenditures of nonprofit organizations as a percentage of all services tended to decline; the next peak was 18.5 percent in 1982, a year in which that recession bottomed out in November. The estimate for 1984 is 18.0 percent, which is the lowest percentage since 1968, when it was 17.5 percent.

Personal consumption expenditures on services from nonprofit organizations rose from 5.6 percent in 1960 to a high of 9.2 percent in 1983, and declined slightly, to 9.0 percent, in 1984. As a percentage of the gross national product, expenditures on services in nonprofit organizations rose from 3.6 percent in 1960 to a high of 6.0 percent in 1983, and declined to 5.7 percent in 1984. Essentially, the trend for consumption of services originating in the nonprofit sector as a percentage of all personal consumption expenditures has continued upward with few interruptions along the way. However, for the past four years (on the basis of the revised series for 1982 through 1985), the trend at best shows no change in the consumption of services originating in the nonprofit sector either as a percentage of personal consumption expenditures or as a percentage of the gross national product.

Another quantitative indicator of any enterprise is its capacity to increase employment. This is particularly true in the independent sector, which is highly labor-intensive. Table 1.10 shows the rate of change in the number of employees in the independent sector and a breakdown by subsectors in comparison with the number on nonagricultural payrolls. Overall, employment in the independent sector grew faster than all employment from 1972 to 1982. From 1982 to 1984, employment grew faster in other sectors than in the independent sector. The annual rates of change in employment in the independent sector were 3.6 percent from 1972 to 1977, 3.5 percent from 1977 to 1982, and 1.0 percent from 1982 to 1984. In comparison, the annual rates of change for all nonagricultural employees were 2.3 percent from 1972 to 1977, 1.7 percent from 1977 to 1982, and 2.7 percent from 1982 to 1984. Employment for all nonagricultural employees increased 22 percent from 1972 to 1982 and 5.5 percent from 1982 to 1984, while the number of total employees in the independent sector increased 43 percent from 1977 to 1982 and 2.1 percent from 1982 to 1984.

The rate of growth in employment in the independent sector varied by subsector. The major growth from 1972 to 1982 was in health services, up 59 percent, and social services, up 99 percent. During this period, employment in arts and cultural organizations increased 75 percent, but from a much smaller base. But employment at colleges and universities; religious organizations; and civic, social, and fraternal organizations increased at a slower rate than all employment in nonagricultural jobs.

When cost-containment measures for health care and federal funding cuts for many social service programs were instituted in the early 1980s, employment growth in these subsectors slowed down. The annual growth rate of 4.6 percent between 1977 and 1982 in the health services subsector declined to less than 1 percent between 1982 and 1984, and total employment in hospitals declined slightly from 1982 to 1984. The trend was similar in social services. The total annual increase in employees declined from 5.2 percent between 1977 and 1982 to 3.5 percent between 1982 and 1984.

Finally, the summary of these various indicators, as shown in Table 1.11, provides an overview of the independent sector in comparison with business and government from 1977 to 1984. The independent sector grew faster than other sectors of the economy between 1977 and 1982, but this trend reversed from 1982 to 1984. National income in the independent sector increased as a proportion of total national income from 5.2 percent in 1977 to a high of 5.8 percent in 1982, and then declined to 5.6 percent in 1984. Total earnings from work in the independent sector grew from 6.7 percent as a proportion of total earnings from work in 1977 to 7.5 percent in 1982, and declined to 7.2 percent in 1984. The total number of employees in the independent sector increased from 8.6 percent in 1977 as a proportion of total employment to 9.7 percent in 1982, and declined to 9.5 percent in 1984. The number of organizations in the independent sector declined as a proportion of all organizations from 4.6 percent in 1977 to 4.2 percent in 1984.

Essentially, the rate of growth that typified the independent sector throughout the 1970s came to a halt in 1982. By 1984, the independent sector was declining in comparison with other sectors of the economy on most national indicators. If these trends continue, they could indicate a weakening of this sector's ability to meet the demand for services.

The organizations and people who constitute the independent sector contribute significantly to the welfare of the American people in such important areas as health, education, social services, culture, and philanthropy. The various dollar estimates for the sector presented in this chapter, as well as the comparisons that have been made with the general economy, do not always accurately reflect the independent sector's value to individuals, families, and communities. Nonetheless, these estimates do generally indicate the size, scope, and importance of the independent sector to American society.

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TABLE 1.1
NATIONAL INCOME INCLUDING ASSIGNED VALUES FOR VOLUNTEERS AND UNPAID FAMILY WORKERS, BY THE THREE MAJOR SECTORS, 1977, 1982, AND 1984

	1977		1982		1984	
	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Total[*]	$1,637.7	100.0%	$2,673.6	100.0%	$3,143.6	100.0%
Private, nonprofit	93.6	5.7	171.9	6.4	194.3	6.2
Independent sector	**84.4**	**5.2**	**155.8**	**5.8**	**176.3**	**5.6**
Other nonprofit organizations	9.2	0.6	16.1	0.6	18.0	0.6
Business	1,300.8	79.4	2,101.4	78.6	2,492.5	79.3
Government	243.3	14.9	400.3	15.0	456.8	14.5
Excluding assigned values[a]	1,586.0	96.9	2,574.9	96.3	3,032.2	96.5
Assigned values—imputations	51.7	3.2	98.6	3.7	111.5	3.6
Volunteers[b]	46.0	2.8	92.1	3.4	104.7	3.3
Unpaid family workers[c]	5.7	0.4	6.5	0.2	6.8	0.2
Sector						
Private, nonprofit	93.6	5.7	171.9	6.4	194.3	6.2
Excluding assigned values[d]	57.3	3.5	99.2	3.7	111.8	3.6
Assigned values—volunteers	36.3	2.2	72.7	2.7	82.6	2.6
Independent sector	**84.4**	**5.2**	**155.8**	**5.8**	**176.3**	**5.6**
Excluding assigned values	**51.7**	**3.2**	**90.3**	**3.4**	**101.9**	**3.2**
Assigned values—volunteers	**32.7**	**2.0**	**65.5**	**2.5**	**74.4**	**2.4**
Other nonprofit organizations	9.2	0.6	16.1	0.6	18.0	0.6
Excluding assigned values	5.6	0.3	8.9	0.3	9.9	0.3
Assigned values—volunteers	3.6	0.2	7.2	0.3	8.1	0.3
Business (for-profit)	1,300.8	79.4	2,101.4	78.6	2,492.5	79.3
Excluding assigned values[e]	1,293.8	79.0	2,092.2	78.3	2,482.7	79.0
Assigned values	7.0	0.4	9.2	0.3	9.8	0.3
Volunteers	5.7	0.4	6.5	0.2	6.8	0.2
Unpaid family workers	1.3	0.1	2.7	0.1	3.0	0.1
Government	243.3	14.9	400.3	15.0	456.8	14.5
Excluding assigned values[f]	234.9	14.3	383.5	14.3	437.7	13.9
Assigned values—volunteers	8.4	0.5	16.8	0.6	19.1	0.6

[*] Totals may not add because of rounding.

[a] Estimates are from the U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, July 1982 and March 1986 issues, Table 6.3B—National Income Without Capital Consumption Adjustment by Industry. This particular set of estimates provides details that are useful for analysis. Estimates of national income with capital consumption adjustments differ slightly from those used here. For example, the national income with capital consumption adjustment for 1984 is estimated at $3,039.3 billion compared with $3,032.2 billion without capital consumption adjustment. For 1977 and 1982, the relative differences are higher.

[b] Assigned dollar values for volunteer time are based on volunteer hours derived from two surveys of The Gallup Organization, Inc., commissioned by the INDEPENDENT SECTOR, *Americans Volunteer 1981* and *Americans Volunteer 1985*; an article by Weitzman, "Measuring the Number, Hours Spent and Dollar Value of Volunteer Activity of Americans," in Working Papers, INDEPENDENT SECTOR, May 1983; and authors' estimates. The annual dollar values for volunteers represent the multiplication of the total aggregate number of full-time equivalent volunteers (1,700 hours per year) by average gross hourly earnings, as reported in the *Economic Report of the President*, 1986, Table B-41, p.300, for private nonagricultural employees, increased by 12 percent to approximate the cost of supplements to wages and salaries (pensions, unemployment, health insurance, etc.). The assigned dollar values for volunteers among the sectors of the economy are distributed according to pattern developed from the estimates obtained from The Gallup Organization, Inc., *Americans Volunteer 1985*.

[c] Assigned values for unpaid family workers are assumed to be one-half of the average annual earnings of the self-employed multiplied by the number of unpaid family workers estimated in the Bureau of Census, *Current Population Survey*. Average annual earnings of the self-employed are estimated from data in the Bureau of Economic Analysis, *Survey of Current Business*, which provides estimates of aggregate income of proprietors in its tables on national income by type of income and legal form of organization and on self-employed persons by industry.

[d] Represents compensation of employees, i.e., the value of wages and salaries adjusted to include estimates of supplements to wages and salaries. The adjustment factors are based on the ratios of compensation of employees to wages and salaries derived from the *Survey of Current Business*.

[e] Business includes all sectors except private, nonprofit organizations and government. In addition to the usual industry groups, such as manufacturing and wholesale and retail trade, the business sector in this table includes private households and the rest of the world account.

[f] Government compensation of employees is based on data in the *Survey of Current Business*, and includes military personnel and all civilian government employees engaged in various types of government activities, including government enterprises.

- The independent sector grew faster than other sectors of the economy from 1977 to 1982, increasing its proportion of national income from 5.2 percent to 5.8 percent during this period.
- Between 1982 and 1984, this trend was reversed. The independent sector grew more slowly than business and at about the same rate as government; accordingly, its proportion of national income dropped to 5.6 percent ($176.3 billion) in 1984.
- The assigned value of volunteers increased the independent sector's share of national income by 2.0 percent in 1977 and 2.4 percent in 1984. If the assigned value of volunteers and unpaid family workers were not added to the national income accounts, the independent sector's share of national income would have only been 3.4 percent in 1984 ($101.9 billion divided by $3,032.2 billion).

TABLE 1.2

EARNINGS FROM WORK: WAGES AND SALARIES, SELF-EMPLOYMENT INCOME, AND ASSIGNED VALUES FOR VOLUNTEERS AND UNPAID FAMILY WORKERS, BY THE THREE MAJOR SECTORS, 1977, 1982, AND 1984

	1977		1982		1984	
	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Total*	$1,133.9	100.0%	$1,850.4	100.0%	$2,169.2	100.0%
Actual earnings	$1,087.1	95.9%	$1,761.6	95.2%	$2,068.9	95.4%
Wages and salaries[a]	983.2	86.7	1,586.1	85.7	1,835.2	84.6
Self-employment[b]	103.9	9.2	175.5	9.5	233.7	10.8
Assigned values—imputations	46.8	4.1	88.8	4.8	100.3	4.6
Volunteers[c]	41.1	3.6	82.3	4.5	93.5	4.3
Unpaid family work[d]	5.7	0.5	6.5	0.4	6.8	0.3
Earnings by Sector						
Private, nonprofit	84.2	7.4	153.6	8.3	173.1	8.0
Wages and salaries[e]	51.8	4.6	88.7	4.8	99.4	4.6
Assigned values—volunteers	32.4	2.9	64.9	3.5	73.7	3.4
Independent sector	**75.9**	**6.7**	**139.2**	**7.5**	**157.1**	**7.2**
Wages and salaries	**46.7**	**4.1**	**80.7**	**4.4**	**90.6**	**4.2**
Assigned values—volunteers	**29.2**	**2.6**	**58.5**	**3.2**	**66.5**	**3.1**
Other nonprofit organizations	8.3	0.7	14.4	0.8	16.1	0.7
Wages and salaries	5.1	0.5	8.0	0.4	8.8	0.4
Assigned values—volunteers	3.2	0.3	6.4	0.4	7.3	0.3
Business (for-profit)	839.8	74.1	1,375.9	74.4	1,632.7	75.3
Wages and salaries[f]	729.0	64.3	1,191.5	64.4	1,389.5	64.1
Self-employment	103.9	9.2	175.5	9.5	233.7	10.8
Assigned values	6.9	0.6	8.9	0.5	9.5	0.4
Unpaid family workers	5.7	0.5	6.5	0.4	6.8	0.3
Volunteers	1.2	0.1	2.4	0.1	2.7	0.1
Government	209.9	18.5	320.8	17.3	363.3	16.8
Wages and salaries[a]	202.4	17.9	305.9	16.5	346.3	16.0
Assigned values—volunteers	7.5	0.7	14.9	0.8	17.0	0.8

*Totals may not add because of rounding.

[a] Estimates are from the tables on Wages and Salaries by Industry in the issues of the *Survey of Current Business* (Bureau of Economic Analysis) that contain the annual estimates for national income accounts.

[b] In the *Survey of Current Business*, national income issues, in table on National Income by Type of Income. Item used for estimates is proprietors' income with inventory valuation and capital consumption adjustments. The 1982 and 1984 estimates of the Bureau of Economic Analysis reflect subsequent revisions, which are substantially higher than the original estimates. The revised estimates for 1977 have not yet been released.

[c] Assigned dollar values for volunteer time for 1982 and 1984 are based on volunteer hours derived from two surveys commissioned by the INDEPENDENT SECTOR and carried out by The Gallup Organization, Inc., *Americans Volunteer 1981* and *Americans Volunteer 1985*. The 1977 estimate is based on an article by Weitzman, "Measuring Value of Volunteer Activity of Americans" in *Working Papers*.

INDEPENDENT SECTOR, May 1983, and authors' estimates. Annual dollar values for volunteers represent the product of aggregate volunteer hours multiplied by average gross hourly earnings for private, nonagricultural employees reported in the *Economic Report of the President*, 1986, Table B-41, p. 300. The assigned dollar values for volunteers among the sectors of the economy are distributed according to a pattern developed from estimates obtained from The Gallup Organization, Inc., *Americans Volunteer 1985*.

[d] Assigned values for unpaid family workers are assumed to be one-half of the average annual earnings of the self-employed multiplied by the average annual number of unpaid family workers estimated in the *Current Population Survey* (Bureau of the Census). Average annual earnings of the self-employed are estimated from data in the *Survey of Current Business* (Bureau of Economic Analysis), which provide statistics on the aggregate income of proprietors in its tables on national income by type of income and legal form of organization, and on self-employed persons by industry.

[e] Wages and salaries are based on detailed estimates for specific subsectors such as hospitals, colleges and universities, and religious organizations. Estimates for 1977 and 1982 were first prepared in connection with a study commissioned by Yale University, Program on Non-Profit Organizations, and appear in Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector: 1972-1982," Working Paper No. 77, Program on Nonprofit Organizations, Yale University, 1983. Estimates for 1984 are based on work performed at the INDEPENDENT SECTOR.

[f] Includes wages and salaries received by all employees, except for those estimated for all employees in the private, nonprofit sector and government.

▶ In 1984, earnings from work in the independent sector accounted for 7.2 percent of total earnings from work. Business accounted for 75.3 percent and government, 16.8 percent.

▶ Of total earnings from work in the independent sector, $66.5 billion was the value of the contributed time of volunteers. This time accounted for 3.1 percent of total earnings from work. Total time contributed by volunteers to all three sectors was valued at $93.5 billion, 4.3 percent of the total earnings from work for the nation.

▶ From 1977 to 1982, total earnings from work grew faster in the independent sector than in business or government. Therefore, the independent sector's share of total earnings increased from 6.7 percent to 7.5 percent. Between 1982 and 1984, however, the independent sector's share of total earnings declined to 7.2 percent.

TABLE 1.3
ESTIMATED EMPLOYMENT IN THE UNITED STATES, BY THE THREE MAJOR SECTORS AND BY TYPE OF EMPLOYMENT, 1977, 1982, AND 1984

	1977		1982		1984	
Employment	Number[a] (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent
Total*	102,740	100.0%	113,717	100.0%	119,801	100.0%
Paid employment[b]	97,299	94.7%	106,755	93.9%	112,653	94.0%
Full-time and part-time employees[b]	89,630	87.2	97,832	86.0	103,241	86.2
Self-employed[b]	7,669	7.5	8,923	7.9	9,412	7.9
Unpaid employment	5,441	5.3	6,962	6.1	7,148	6.0
Volunteers[c]	4,600	4.5	6,300	5.5	6,600	5.5
Family workers[d]	841	0.8	662	0.6	548	0.5
Employment by sector						
Private, nonprofit	9,620	9.4	12,023	10.6	12,392	10.3
Full-time and part-time employees[e]	5,991	5.8	7,052	6.2	7,185	6.0
Volunteers	3,629	3.5	4,971	4.4	5,207	4.4
Independent sector	**8,791**	**8.6**	**11,024**	**9.7**	**11,371**	**9.5**
Full-time and part-time employees	**5,520**	**5.4**	**6,543**	**5.8**	**6,677**	**5.6**
Volunteers	**3,271**	**3.2**	**4,481**	**3.9**	**4,694**	**3.9**
Other nonprofit organizations	829	0.8	999	0.9	1,023	0.9
Full-time and part-time employees	471	0.5	509	0.5	509	0.4
Volunteers	358	0.4	490	0.4	514	0.4
Business (for-profit)[f]	73,810	71.8	81,063	71.3	86,322	72.1
Full-time and part-time employees	65,167	63.4	71,295	62.7	76,171	63.6
Self-employed workers	7,669	7.5	8,923	7.9	9,412	7.9
Unpaid family workers	841	0.8	662	0.6	548	0.5
Volunteers	133	0.1	183	0.2	191	0.2
Government[g]	19,309	18.8	20,632	18.1	21,086	17.6
Full-time and part-time employees	18,472	18.0	19,485	17.1	19,885	16.6
Volunteers	837	0.8	1,147	1.0	1,201	1.0

*Totals may not add because of rounding.

[a] The attempt is to include all persons who are actively engaged in employment. They may be working for pay, as paid wage and salary workers, or for profit as self-employed persons; or they may be receiving no pecuniary remuneration, as in the case of unpaid family workers who generally work 15 hours a week or more in the family business, and volunteers. Persons in the military are included in the estimates of government employment. Volunteers are converted to full-time equivalent employment by dividing estimates of aggregate hours volunteered by 1,700 hours. Total employment represents a combination of estimates from various sources. It mainly encompasses data generated from the statistical collection programs of both the Department of Labor and the Department of Commerce.

[b] Estimates are published in two tables in the annual issues of the *Survey of Current Business* that present annual data for the national income accounts. The headings for the two tables are Full-Time and Part-Time Employees by Industry and Self-Employed Persons by Industry.

[c] The estimates for 1982 and 1984 are based on volunteer hours derived from two surveys of The Gallup Organization, Inc., commissioned by the INDEPENDENT SECTOR, *Americans Volunteer 1981* and *Americans Volunteer 1985*. The 1977 estimate is based on an article by Weitzman, "Measuring the Number, Hours Spent and Dollar Value of Volunteer Activity of Americans" in *Working Papers*, INDEPENDENT SECTOR, May 1983. The distribution of the estimates of full-time equivalent volunteers among the different sectors is based on a distribution pattern developed from *Americans Volunteers 1985*.

[d] Estimates of unpaid family workers are collected in the *Current Population Survey* (Bureau of the Census), and usually appear in the January issues of *Employment and Earnings* (Bureau of Labor Statistics).

[e] Annual estimates of the number of paid employees in the nonprofit sector are based on detailed estimates for specific subsectors such as hospitals, colleges and universities, and religious organizations, and aggregated to obtain yearly totals. Estimates for 1977 and 1982 were first prepared in connection with a study commissioned by Yale University, Program on Non-Profit Organizations, and appear in Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector: 1972-1982," Working Paper No. 77, Program on Non-Profit Organizations, Yale University, 1983. Estimates for 1984 are based on work performed at the INDEPENDENT SECTOR.

[f] Employment in the business sector includes all employment except that in private, nonprofit organizations and government. In this table, business employment also includes that of private households and the rest of the world account.

[g] Government employment encompasses all government employees, civilian and military, and at all levels of government, federal, state, and local.

▶ In 1984, there were 112.65 million paid employees and 7.15 million unpaid employees. Of this group, 6.60 million were full-time equivalent volunteers, representing 5.5 percent of total employment, and 548,000 were unpaid family workers.

▶ From 1977 to 1982, total employment in the independent sector grew faster than employment in business or government, increasing this sector's share of total employment from 8.6 to 9.7 percent.

▶ From 1982 to 1984, employment in the independent sector grew at a slower rate than business, and the sector's share of total employment declined from 9.7 percent to 9.5 percent.

TABLE 1.4
NUMBER OF ACTIVE ENTITIES ON MASTER FILE OF TAX-EXEMPT ORGANIZATIONS

(Fiscal year ending September 30)

Tax code number	Type of tax-exempt organization[a]	1977	1982	1984	1985
501(c)(1)	Corporations organized under an act of Congress	1,072	24	24	24
501(c)(2)	Title-holding companies	5,223	5,522	5,679	5,758
501(c)(3)	**Religious, charitable, etc.***	**276,455**	**322,826**	**352,884**	**366,071**
501(c)(4)	**Social welfare**	**129,496**	**131,578**	**130,344**	**131,250**
501(c)(5)	Labor, agriculture organizations	87,656	86,322	76,753	75,632
501(c)(6)	Business leagues	44,100	51,065	53,303	54,217
501(c)(7)	Social and recreational clubs	50,031	54,036	55,666	57,343
501(c)(8)	Fraternal beneficiary societies	141,138	116,549	92,431	94,435
501(c)(9)	Voluntary employees' beneficiary societies	6,486	8,703	10,145	10,668
501(c)(10)	Domestic fraternal beneficiary societies	12,410	18,570	16,116	15,924
501(c)(11)	Teachers' retirement fund	13	13	11	11
501(c)(12)	Benevolent life insurance associations	4,801	5,071	5,200	5,244
501(c)(13)	Cemetary companies	5,264	6,290	6,845	7,239
501(c)(14)	Credit unions	5,074	6,074	6,053	6,032
501(c)(15)	Mutual insurance companies	1,450	1,073	998	967
501(c)(16)	Corporations to finance crop operation	31	22	19	18
501(c)(17)	Supplemental unemployment benefit trusts	800	784	747	726
501(c)(18)	Employee-funded pension trusts	4	3	3	3
501(c)(19)	War veterans' organizations	14,305	23,851	22,100	23,062
501(c)(20)	Legal services organizations	-	90	140	167
501(c)(21)	Black lung trusts	-	9	14	15
501(d)	Religious and apostolic organizations	63	68	81	82
501(e)	Cooperative hospital service organizations	-	106	90	82
501(f)	Cooperative service organizations of operating educational organizations	-	-	-	-
521	Farmers' cooperatives	3,794	2,791	2,673	2,542
	Total	789,666	841,440	838,319	857,512

Sources: U.S. Department of Treasury (Internal Revenue Service), *Annual Report*, various editions.

*Not all Section 501(c)(3) organizations are included, because certain organizations such as churches, integrated auxiliaries, subordinated units, and conventions or associations of churches need not apply for recognition of exemption unless they desire a ruling.

Dash = No cases.

[a] Type of tax-exempt organization refers to its definition under the Internal Revenue Code for tax-exempt status of organizations. The 25 kinds of tax-exempt organizations are described as follows:

501(c)(1)—Corporations originated under Act of Congress, including Federal Credit Unions. These are considered instrumentalities of the United States.

501(c)(2)—Title-holding corporation for a tax-exempt organization.

501(c)(3)—Religious, educational, charitable, scientific, and literary organizations, and those testing for public safety, fostering certain national or international sports competitions, or working to prevent cruelty to children or animals. Includes private foundations. (Part of the independent sector universe.)

501(c)(4)—Civic leagues, social welfare organizations, local associations of employees. These are organizations promoting community welfare, charitable, educational, or recreational activities. (Part of the independent sector universe.)

501(c)(5)—Labor, agricultural, horticultural organizations. These are educational or instructive groups whose purposes include improving conditions of work, products, and efficiency.

501(c)(6)—Business leagues, chambers of commerce, real estate boards, etc., formed to improve conditions in one or more lines of business.

501(c)(7)—Social and recreational clubs which provide pleasure, recreation, and social activities.

501(c)(8)—Fraternal beneficiary societies and associations, with lodges providing for payment of life, sickness, accident, or other benefits to members.

501(c)(9)—Voluntary employees' beneficiary associations (including federal employees' voluntary beneficiary associations formerly covered by section 501(c)(10), providing payment of life, sickness, accident, or other benefits to members.

501(c)(10)—Domestic fraternal societies and associations—lodges devoting their net earnings to charitable, fraternal, and other specified purposes. No life, sickness, or accident benefits to members.

501(c)(11)—Teachers' retirement fund associations.

501(c)(12)—Benevolent life insurance associations, mutual ditch or irrigation companies, mutual or cooperative telephone companies, etc. These are groups with activities similar to those implied by the descriptions of class of organization beneficial to members.

501(c)(13)—Cemetery companies, providing burial and incidential activities for members.

501(c)(14)—State-chartered credit unions, mutual reserve funds, offering loans to members. (Exemption for building and loan associations and cooperative banks repealed by Revenue Act of 1951, affecting all years thereafter.)

501(c)(15)—Mutual insurance companies or associations, providing insurance to members substantially at cost (limited to organizations with gross income of $150,000 or less).

501(c)(16)—Cooperative organizations to finance crop operations, in conjunction with activities of a marketing or purchasing association.

501(c)(17)—Supplemental unemployment benefit trusts, providing payments of supplemental unemployment compensation benefits.

501(c)(18)—Employee-funded pension trusts, providing benefits under a pension plan funded by employees, created before June 25, 1959.

501(c)(19)—Post or organization of war veterans.

501(c)(20)—Trusts for prepaid group legal services, as part of a qualified group legal service plan or plans. Applicable to taxable years beginning after December 31, 1977.

501(c)(21)—Black lung trusts, satisfying claims for compensation under Black Lung Acts.

501(d)—Religious and apostolic associations, conducting business activities for communal religious communities.

501(e)—Cooperative hospital service organizations.

501(f)—Cooperative service organizations of operating educational organizations, providing investment services.

521—Farmers' cooperative associations, doing marketing and purchasing for agricultural producers.

TABLE 1.5
NUMBER OF CHURCHES REPORTED, 1983-1984

Religious body[a]	Year	Churches reported
African Methodist Episcopal Church	*1981*	*6,200*
African Methodist Episcopal Zion Church	*1982*	*6,023*
American Baptist Association	1983	1,641
American Baptist Churches in the U.S.A.	*1982*	*5,851*
American Carpatho-Russian Orthodox Greek Catholic Church	*1976*	*70*
American Lutheran Church, The	1983	4,905
Antiochian Orthodox Christian Archdiocese of North America, The	1984	120
Apostolic Catholic Assyrian Church of the East N. American Diocese	1983	23
Apostolic Overcoming Holy Church of God	*1956*	*300*
Armenian Apostolic Church of America	1984	33
Armenian Church of America, Diocese of the	*1979*	*66*
Assemblies of God	*1983*	*10,386*
Baptist General Conference	1984	732
Baptist Missionary Association of America	1983	1,411
Buddhist Churches of America	1984	100
Bulgarian Eastern Orthodox Church, Diocese of N. and S. America and Australia	*1971*	*13*
Christian and Missionary Alliance, The	1983	1,532
Christian Church (Disciples of Christ)	1983	4,608
Christian Churches and Churches of Christ	1983	5,502
Christian Congregation, Inc., The	1983	1,429
Christian Methodist Episcopal Church	1983	2,340
Christian Reformed Church in North America	1983	639
Church of God, The	*1978*	*2,035*
Church of God (Anderson, IN)	1983	2,286
Church of God (Cleveland, TN)	1983	5,410
Church of God in Christ, The	*1982*	*9,982*
Church of God in Christ, International, The	*1982*	*300*
Church of God of Prophecy, The	1983	2,040
Church of Jesus Christ of Latter-day Saints, The	1983	8,017
Church of the Brethren	1983	1,067
Church of the Nazarene	1983	4,931
Churches of Christ	1983	13,056
Community Churches, International Council of	1983	250
Congregational Christian Churches, National Association of	1984	457
Conservative Baptist Association of America	1982	1,140
Coptic Orthodox Church	1983	29
Cumberland Presbyterian Church	1983	878
Episcopal Church, The	1983	7,387
Evangelical Covenant Church of America	1983	554
Evangelical Free Church of America	1984	900
Evangelical Lutheran Churches, The Association of	*1982*	*272*
Free Methodist Church of North America	*1982*	*1,012*
Free Will Baptists	1983	2,480
Friends United Meeting	1983	534
Full Gospel Fellowship of Churches and Ministers, International	1983	401
General Association of Regular Baptist Churches	*1981*	*1,571*
General Baptist, General Association of	1983	860
Greek Orthodox Archdiocese of North and South America	*1977*	*535*
Independent Fundamental Churches of America	*1980*	*1,019*
International Church of the Foursquare Gospel	1983	113
Jehovah's Witnesses	1983	7,921
Jews[b]	1983	3,500
Liberty Baptist Fellowship	1983	267
Lutheran Church in America	1983	5,815
Lutheran Church—Missouri Synod, The	1983	5,829
Mennonite Church	1983	1,201
National Baptist Convention in America	*1956*	*11,398*
National Baptist Convention, U.S.A., Inc.	*1958*	*26,000*
National Primitive Baptist Convention, Inc.	*1975*	*606*
North American Old Roman Catholic Church	1983	130
Orthodox Church in America	1978	440
Pentecostal Church of God	1983	1,020
Pentecostal Holiness Church, International	1983	1,443
Plymouth Brethren	1983	1,100
Polish National Catholic Church of America	*1960*	*162*
Presbyterian Church in America	1983	825
Presbyterian Church (U.S.A.)	1983	11,596
Primitive Baptists	*1960*	*1,000*
Progressive National Baptists Convention, Inc.	*1967*	655
Reformed Church in America	1883	920
Recognized Church of Jesus Christ of Latter-day Saints	1983	1,059
Roman Catholic Church, The	1983	24,260
Russian Orthodox Church in the U.S.A., Patriarchal Parishes of the	*1975*	*41*
Russian Orthodox Church Outside of Russia, The	*1955*	*81*
Salvation Army, The	1983	1,061
Serbian Eastern Orthodox Church in the U.S.A. and Canada	*1982*	*78*
Seventh-day Adventists	1983	3,907
Southern Baptist Convention	1983	34,464
Triumph the Church and Kingdom of God in Christ (International)	*1972*	*475*
Ukrainian Orthodox Chrurch in the U.S.A.	*1966*	*107*
Unitarian Universalist Association	1983	945
United Church of Christ	1983	6,427
United Free Will Baptist Church	*1952*	*836*
United Methdodist Church, The	*1982*	*38,181*
United Pentecostal Church, International	*1982*	*3,300*
Wesleyan Church, The	1983	1,722
Wisconsin Evangelical Lutheran Synod	1983	1,983
Total number of churches		338,244
Bodies with membership of 50,000 or more		323,405
Bodies with membership of less than 50,000		14,839
Current data		203,656
Noncurrent data		119,749

Sources: National Council of the Churches of Christ in the United States of America, *Yearbook of American and Canadian Churches;* U.S. Department of Commerce (Bureau of the Census), *Statistical Abstract of the United States*, 1986.

[a] The number of churches reported represents the latest information available from religious bodies with memberships of 50,000 or more; it includes groups giving no data. Data in italics are "noncurrent," i.e., they are reported for 1982 or earlier. All other data are "current" and were reported for 1983 or 1984.

[b] The estimate of the size of the Jewish community is derived from the *American Jewish Yearbook*.

TABLE 1.6
NUMBER OF ENTITIES OPERATING IN THE UNITED STATES BY THE THREE MAJOR SECTORS AND SELECTED COMPONENTS, 1974-1984

	1974		1977		1980		1982		1983		1984	
Sector	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent
Private, nonprofit	1,005	6.7%	1,123	7.0%	1,182	6.5%	1,180	6.5%	1,155	6.1%	1,176	6.1%
Independent sector organizations	**NA**	**-**	**739**	**4.6**	**785**	**4.3**	**793**	**4.4**	**806**	**4.3**	**821**	**4.2**
Tax-exempt organizations reported by IRS[a]	**NA**	**-**	**406**	**2.5**	**449**	**2.5**	**454**	**2.5**	**465**	**2.5**	**483**	**2.5**
Churches[b]	**332**	**2.2**	**333**	**2.1**	**336**	**1.9**	**339**	**1.9**	**341**	**1.8**	**338**	**1.7**
Other nonprofit organizations exempt from federal income tax[a]	NA	-	384	2.4	397	2.2	387	2.1	349	1.9	355	1.8
Business[c]	13,902	92.8	14,741	92.5	16,793	93.0	16,947	93.1	17,615	93.4	18,120	93.5
Farm[d]	2,521	16.8	2,456	15.4	2,428	13.4	2,401	13.2	2,370	12.6	2,328	12.0
Nonfarm[e]	11,381	75.9	12,285	77.1	14,365	79.6	14,546	79.9	15,245	80.9	15,792	81.5
Government[f]	78	0.5	80	0.5	82	0.5	82	0.5	82	0.4	82	0.4
Federal		-		-		-		-		-		-
States		-		-		-		-		-		-
Local	78	0.5%	80	0.5%	82	0.5%	82	0.5%	82	0.4%	82	0.4%
Total*	14,985	100.0%	15,944	100.0%	18,057	100.0%	18,209	100.0%	18,852	100.0%	19,378	100.0%

*Totals may not add because of rounding.

NA = Not available.

Dash = Number less than 500 or a percentage less than 0.05 percent.

[a] Independent sector organizations are those in the 501(c)(3) and 501(c)(4) tax code sections (see note to Table 1.4). In 1984, 352,884 tax-exempt organizations were listed under tax code section 501(c)(3), while another 130,344 organizations appeared under tax code section 501(c)(4). See Internal Revenue Service, *Annual Report*, various editions.

[b] Estimates of the number of churches are from the National Council of Churches of Christ in the U.S.A., *Yearbook of American and Canadian Churches*, and are published in the U.S. Bureau of the Census, *Statistical Abstract of the United States*, various editions.

[c] Business estimates for 1974, 1977, and 1980 represent the number of businesses filing forms. For 1982, 1983, and 1984, the number of businesses represent the combined number of farm and nonfarm business tax filing between July of year shown and June 30 of the following year.

[d] Estimates of number of farms come from U.S. Department of Agriculture, Statistical Reporting Service; they also appear in the *Statistical Abstract of the United States*, various editions.

[e] The number of nonfarm businesses represent the number of unaudited business tax returns filed by nonfarm proprietorships, partnerships, and corporations for accounting periods ending between July 1 of the year shown and June 30 of the following year. For 1974, 1977, and 1980, estimates of nonfarm businesses were estimated by subtracting the number of farms from the number of businesses filing business tax returns.

[f] Government estimates are from the Census of Governments conducted every five years by the Bureau of the Census. The 1974 and 1977 estimates are from the 1972 and 1977 Censuses. Those for 1980 and subsequent years represent those from the 1982 Census of Governments.

▶ The total number of reported organizations in the independent sector, which include 501(c)(3) and 501(c)(4) organizations and churches, was estimated at 821,000—4.2 percent of all organizations in 1984. Business represented 93.5 percent of all organizations and government had less than 1 percent.

▶ As a share of total organizations, the independent sector peaked in 1977 when its number of organizations amounted to 4.6 percent of the total.

TABLE 1.7

PRIVATE, NONPROFIT ORGANIZATIONS: ESTIMATED CURRENT OPERATING EXPENDITURES, 1985-1960

	Total				Per capita		
	Current dollars		Constant (1972) dollars		Constant (1972) dollars		
Year	Amount (billions)	Index 1960=100	Amount (billions)	Index 1960=100	Amount	Index 1960=100	Population (midyear) (millions)
Revised series							
1985	$238.7	-	$88.0	-	$369	-	238.8
1984	224.0	-	85.7	-	362	-	236.7
1983	208.4	-	84.5	-	360	-	234.6
1982	191.1	-	83.2	-	358	-	232.4
Old series							
1984	$209.8	1,153	$80.7	223	$341	171	236.7
1983	197.8	1,087	80.0	221	341	171	234.6
1982	181.4	997	78.9	218	340	170	232.4
1981	162.2	891	78.3	216	341	171	230.1
1980	143.1	786	76.9	212	338	169	227.7
1979	125.6	690	74.5	206	331	166	225.1
1978	111.8	614	71.8	198	323	162	222.6
1977	99.3	546	68.4	189	311	156	220.3
1976	91.5	503	67.6	187	310	155	218.1
1975	83.6	459	67.1	185	311	156	216.0
1974	75.1	413	64.4	178	301	151	213.9
1973	67.8	373	63.5	175	300	150	211.9
1972	61.8	340	61.8	171	294	147	209.9
1971	56.0	308	59.6	165	287	144	207.7
1970	50.5	277	57.6	159	281	141	205.1
1969	45.5	250	57.5	159	284	142	202.7
1968	39.5	217	54.2	150	270	135	200.7
1967	34.9	192	51.6	143	260	130	198.8
1966	31.1	171	48.5	134	247	124	196.6
1965	27.6	152	45.1	125	232	116	194.3
1964	25.3	139	42.5	117	222	111	191.9
1963	23.1	127	40.7	112	215	108	189.3
1962	21.3	117	39.3	109	211	106	186.6
1961	19.5	107	37.3	103	203	102	183.7
1960	18.2	100	36.2	100	200	100	180.8

Sources: Bureau of Economic Analysis, Survey of Current Business, various editions; Bureau of the Census, population estimates as published in *Economic Report of the President*, various editions; and authors' estimates.

Dash = Not applicable.

▶ Current operating expenditures in the independent sector increased 123 percent from 1960 to 1984 in constant (1972) dollars (3.4 percent per year). They increased 14 percent from 1976 to 1980 (3.2 percent per year), and 5 percent from 1980 to 1984 (1.6 percent per year), underscoring the slowdown in the rate of growth in current operating expenditures.

▶ In constant (1972) dollars, the independent sector expended $200 in 1960 and $341 in 1984 for every man, woman, and child in the United States.

▶ Although per capita expenditures of private, nonprofit organizations in constant (1972) dollars increased 71 percent between 1960 and 1981, since then there has been no growth in per capita expenditures in constant (1972) dollars.

TABLE 1.8

PRIVATE, NONPROFIT ORGANIZATIONS: ESTIMATED CURRENT AND PER CAPITA OPERATING EXPENDITURES, INCLUDING ASSIGNED DOLLAR VALUES FOR VOLUNTEERS, 1977, 1982, AND 1984

Year	Paid ($billions)	Current operating expenditures: Assigned values ($billions)	Current operating expenditures: Total ($billions)	Current operating expenditures: Per capita	Population (midyear) (millions)
1984	$209.8	-	$209.8	$ 886	236.7
	209.8	$82.6	292.4	1,235	236.7
1982	181.4	-	181.4	781	232.4
	181.4	72.7	254.1	1,093	232.4
1977	99.3	-	99.3	451	220.3
	99.3	36.3	135.6	616	220.3

Sources: See Tables 1.1 and 1.7.

Dash = Not included.

- ▶ When the assigned dollar value of volunteers is added to the total current operating expenditures, per capita expenditures for all nonprofit organizations totaled $1,235 instead of $886 in current dollars.
- ▶ The assigned value for volunteer time increased the expenditures of nonprofit organizations for all Americans by 36.6 percent in 1977 and 39.3 percent in 1984.

TABLE 1.9

PRIVATE, NONPROFIT ORGANIZATIONS: CURRENT OPERATING EXPENDITURES RELATED TO GROSS NATIONAL PRODUCT, PERSONAL CONSUMPTION EXPENDITURES, AND SERVICES, 1985-1960

			Personal consumption expenditures				Current operating expenditures in the nonprofit sector as a percentage of			
Year	Business cycle reference date (P)=peak (T)=trough	Gross national product ($billions)	Total ($billions)	Durable goods ($billions)	Nondurable · goods ($billions)	Services total ($billions)	Expenditures ($billions)	Services	Personal consumption expenditures	Gross national product
Revised series										
1985		$3,988.5	$2,582.3	$361.5	$912.2	$1,308.6	$238.7	18.2%	9.2%	6.0%
1984		3,774.7	2,423.0	331.1	872.4	1,219.6	224.0	18.4	9.2	5.9
1983		3,401.6	2,229.3	289.6	817.0	1,122.7	208.4	18.6	9.4	6.1
1982	(T) November	3,166.0	2,050.7	252.7	771.0	1,027.0	191.1	18.6	9.3	6.0
Old series										
1984		$3,662.8	$2,341.8	$318.8	$856.9	$1,166.1	$209.8	18.0%	9.0%	5.7%
1983		3,304.8	2,155.9	279.8	801.7	1,074.4	197.8	18.4	9.2	6.0
1982	(T) November	3,069.3	1,984.9	245.1	757.5	982.2	181.4	18.5	9.1	5.9
1981		2,957.8	1,849.1	235.4	730.7	883.0	162.2	18.4	8.8	5.5
1980	(P) January	2,631.7	1,668.1	214.7	668.8	784.5	143.1	18.2	8.6	5.4
1979		2,417.8	1,507.2	213.4	600.0	693.7	125.6	18.1	8.3	5.2
1978		2,163.9	1,346.5	200.2	528.2	618.0	111.8	18.1	8.3	5.2
1977		1,918.3	1,204.4	178.2	478.8	547.4	99.3	18.1	8.2	5.2
1976		1,718.0	1,084.3	156.8	441.7	485.7	91.5	18.8	8.4	5.3
1975	(T) March	1,549.2	976.4	132.2	407.3	437.0	83.6	19.1	8.6	5.4
1974		1,434.2	888.1	121.5	373.4	393.2	75.1	19.1	8.5	5.2
1973	(P) November	1,326.4	812.0	123.3	333.4	355.2	67.8	19.1	8.4	5.1
1972		1,185.9	737.1	111.1	300.6	325.3	61.8	19.0	8.4	5.2
1971		1,077.6	672.2	97.2	278.8	296.2	56.0	18.9	8.3	5.2
1970	(T) November	992.7	621.7	85.2	265.7	270.8	50.5	18.7	8.1	5.1
1969	(P) December	944.0	581.8	85.7	247.8	248.2	45.5	18.3	7.8	4.8
1968		873.4	536.9	80.5	230.6	225.8	39.5	17.5	7.4	4.5
1967		799.6	490.3	70.1	212.6	207.6	34.9	16.8	7.1	4.4
1966		756.0	465.1	68.0	204.7	192.4	31.1	16.2	6.7	4.1
1965		691.1	430.4	63.0	188.6	178.7	27.6	15.4	6.4	4.0
1964		637.7	400.5	56.4	176.9	167.1	25.3	15.1	6.3	4.0
1963		596.7	374.6	51.4	167.1	156.1	23.1	14.8	6.2	3.9
1962		565.0	355.2	46.7	161.6	147.0	21.3	14.5	6.0	3.8
1961	(T) February	524.6	335.0	41.6	155.3	138.1	19.5	14.1	5.8	3.7
1960		506.5	324.9	43.1	151.1	130.7	18.2	13.9	5.6	3.6

Sources: See Table 1.7.

- In 1984, current operating expenditures originating in nonprofit organizations were 18.0 percent of all services. This figure represents a decline from a high point of 19.1 percent reached from 1973 through 1975.
- Expenditures for services originating from nonprofit organizations increased as a percentage of the gross national product from 3.6 percent in 1960 to 6.0 percent in 1983, and then declined to 5.7 percent in 1984.

TABLE 1.10

EMPLOYMENT IN NONAGRICULTURAL AND INDEPENDENT SECTORS AND BREAKDOWN OF INDEPENDENT SECTOR BY SELECTED SUBSECTORS: PERCENTAGE AND ANNUAL RATES OF CHANGE FOR SELECTED PERIODS, 1972-1984

Beginning year:	1972	1972	1972	1977	1977	1977	1982	1983	1982
Ending year:	1977	1982	1984	1982	1983	1984	1983	1984	1984
Number of years:	5	10	12	5	6	7	1	1	2
Employment in two major sectors									
Nonagricultural sector, total employment									
Percentage change	111.9	121.6	128.2	108.6	109.3	114.5	100.7	104.7	105.5
Annual rate of change	2.3	2.0	2.1	1.7	1.5	2.0	0.7	4.7	2.7
Independent sector, total employment									
Percentage change	**119.6**	**143.0**	**145.9**	**118.5**	**120.3**	**121.0**	**101.5**	**100.6**	**102.1**
Annual rate of change	**3.6**	**3.7**	**3.2**	**3.5**	**3.1**	**2.7**	**1.5**	**0.6**	**1.0**
Employment in subsectors of independent sector									
Health services									
Percentage change	127.3	159.2	161.4	125.1	126.7	126.7	101.3	100.0	101.3
Annual rate of change	5.0	4.8	4.1	4.6	4.0	3.4	1.3	0.0	0.7
Hospitals									
Percentage change	24.5	152.2	151.1	122.3	123.2	121.5	100.7	98.6	99.3
Annual rate of change	4.5	4.3	3.5	4.1	3.5	2.8	0.7	-1.4	-0.3
Education and research									
Percentage change	105.4[a]	119.2[a]	122.6[a]	112.7	114.6	115.9	101.7	101.2	102.8
Annual rate of change	1.1	1.8	1.7	2.4	2.3	2.1	1.7	1.2	1.4
Colleges and universities									
Percentage change	110.4	118.2	120.9	107.1	109.3	109.5	102.0	100.3	102.3
Annual rate of change	2.0	1.7	1.6	1.4	1.5	1.3	2.0	0.3	1.1
Religious organizations									
Percentage change	101.5	103.3	96.6	101.8	98.7	95.1	97.0	95.5	93.5
Annual rate of change	0.3	0.3	-0.3	0.3	-0.2	-0.7	-3.0	-4.5	-3.4
Social services									
Percentage change	154.5	199.3	213.6	129.0	134.1	138.3	104.0	103.1	107.2
Annual rate of change	9.1	7.1	6.5	5.2	5.0	4.7	4.0	3.1	3.5
Civic, social, and fraternal organizations									
Percentage change	109.7	109.7	118.0	100.0	104.3	107.5	104.3	103.1	107.5
Annual rate of change	1.9	0.9	1.4	0.0	0.7	1.0	4.3	3.1	3.7
Arts and culture, including public television and radio									
Percentage change	129.4	174.5	192.2	134.9	140.9	148.4	104.5	105.4	110.1
Annual rate of change	5.3	6.4	5.6	6.2	5.9	5.8	4.5	5.4	4.9

Sources: Bureau of Labor Statistics, *Employment and Earnings*, various editions; Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982," Working Paper No. 77, Program on Non-Profit Organizations, Yale University, 1983; and Table 4.6, Employment: Employees by Subsector and Components (Annual Averages)—1977, 1982, 1983 and 1984.

[a] A component of the education/research subsector is noncommercial educational, scientific, and research organizations. The 1977 employment estimate for this component was revised from 47,000, using the 1977 Census of Service Industries, to 100,000, using materials from the U.S. Department of Labor. In the absence of information at the time the earlier estimates were prepared for 1972, the 1977 estimate of 47,000 was carried. Accordingly, for the years beginning with 1972, the annual rates of change are shown for education employment, excluding that of noncommercial, educational, scientific, and research organizations. The percentage change and annual rate of change including noncommercial educational, scientific and research organizations are as follows:

Period	Percentage change	Annual rate of change
1972-1977	109.7	1.9
1972-1982	123.7	2.1
1972-1984	127.2	2.0

- The number of employees in the independent sector grew at a faster rate than all employees on nonagricultural payrolls from 1972 to 1982. After 1982, this trend reversed. From 1982 to 1984, all employees on nonagricultural payrolls increased 2.7 percent while employees in the independent sector grew 1.0 percent.
- Much of the growth rate for all employees in the independent sector was due to the growth in the health services and social services subsectors. Employment in health services grew 59 percent from 1972 to 1982, and about 1 percent from 1982 to 1984.
- Employees in social services increased 99 percent from 1972 to 1982 and 7 percent from 1982 to 1984.

TABLE 1.11
SELECTED SUMMARY INDICATORS FOR THE INDEPENDENT SECTOR AMONG THE THREE MAJOR SECTORS IN THE ECONOMY, SELECTED YEARS, 1977, 1982, AND 1984

Subject and indicator	National income[a] originating in independent sector as a percentage of total national income ($billions)			Wages and salaries[b] originating in independent sector as a percentage of total earnings from work ($billions)			Employment[c] in independent sector as a percentage of total U.S. employment (000s)			Organizations in independent sector as a percentage of total number operating in U.S. (000s)		
	1977	1982	1984	1977	1982	1984	1977	1982	1984	1977	1982	1984
Total	$1,637.7	$2,673.6	$3,143.6	$1,138.9	$1,850.4	$2,169.2	102,740	113,717	119,801	15,944	18,209	19,378
Breakdown by sector												
Private, nonprofit	5.7%	6.4%	6.2%	7.4%	8.3%	8.0%	9.4%	10.6%	10.3%	7.0%	6.5%	6.1%
Independent sector	**5.2**	**5.8**	**5.6**	**6.7**	**7.5**	**7.2**	**8.6**	**9.7**	**9.5**	**4.6**	**4.4**	**4.2**
Other	0.6	0.6	0.6	0.7	0.8	0.7	0.8	0.9	0.9	2.4	2.1	1.8
Business	79.4	78.6	79.3	74.1	74.4	75.3	71.8	71.3	72.1	92.5	93.1	93.5
Government	14.9	15.0	14.5	18.5	17.3	16.8	18.8	18.1	17.6	0.5	0.5	0.4
Total*	100.0%*	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sources: See Tables 1.1, 1.2, 1.3, and 1.4.

*Totals may not add because of rounding.

[a] National income figures include the assigned value for volunteer time.

[b] Total earnings from work include the assigned dollar value for volunteer time.

[c] Total employment includes full-time volunteer equivalent employees.

▶ The independent sector grew at a faster rate than the rest of the economy from 1977 to 1982, as reflected in the major national indicators.

▶ The independent sector's share of national income (including the assigned dollar value for volunteer work) increased from 5.2 percent to 5.8 percent from 1977 to 1982, then declined to 5.6 percent in 1984.

▶ The independent sector's share of total earnings from work (including volunteer employment) increased from 6.7 percent in 1977 to 7.5 percent in 1982, and then declined to 7.2 percent in 1984.

▶ Employment in the independent sector as a percentage of total employment (including volunteers) increased from 8.6 percent in 1977 to 9.7 percent in 1982, then declined to 9.5 percent in 1984.

CHAPTER TWO
THE TOTAL SOURCES AND USES OF SUPPORT FOR THE INDEPENDENT SECTOR

The independent sector of American society obtains a substantial portion of its support from sources that are different from those associated with either the government or the for-profit sector. Traditionally, charitable organizations have derived major support from contributions of money and time rather than by the creation and sale of a product or service, or by the redistribution of (mostly individual and corporate) tax payments to fund national, state, or local priorities, as in government. Charitable and voluntary organizations today derive income from a variety of sources: contributions from individuals, foundations, and corporations; fees for services; and government—either directly through grants and contracts or indirectly through individuals who receive government funds and choose nonprofit organizations to provide the services they need. As mentioned, charitable organizations also receive contributions in volunteer time, which is not included in the accounting systems for business or government but which remains a source of support that is important to the basic operations of the independent sector.

This chapter summarizes the trends in the total sources and uses of support for the independent sector. First, the chapter addresses trends in the total sources and uses of funds by the independent sector. Second, the chapter assesses trends in total annual sources and uses of support. Total support includes the assigned dollar value of volunteer time for the sector and provides a picture of the sector different from that provided by a simple accounting of sources of income. Third, the chapter summarizes trends in paid and volunteer employment. Fourth, it summarizes trends in total operating expenditures and the relationship of labor costs to those expenditures. Finally, it provides a summary of the changing asset position of charitable organizations and foundations.

Trends in the Total Sources and Uses of Funds

Table 2.1 summarizes the total annual sources of funds for the independent sector from 1977 to 1984. Overall, the general proportions of funds provided from the private sector and for government remained steady at 73 percent and 27 percent, respectively.

Sources of funds from the private sector include private contributions; income from dues, fees, and charges; and income from other receipts, including endowment. Over the 1977-1982 period there have been some changes in the proportion of funds provided from these different income sources in the private sector. Total private contributions to the independent sector increased nearly 65 percent, from $33.8 billion to $55.8 billion, whereas contributions as a proportion of total funds declined from 29.6 percent to 26.2 percent. From 1982 to 1984, private contributions increased 22 percent, from $55.8 billion to $68.3 billion, and contributions as a proportion of total revenue increased slightly, from 26.2 percent to 26.9 percent.

Income from dues, fees, and charges increased 115 percent from 1977 to 1983 and another 7 percent from 1983 to 1984. The proportion of total funds from this income source increased from 36.4 percent in 1977 to 38.2 percent in 1983, then declined slightly in 1984 to 37.8 percent. Income from other receipts including endowment grew 125 percent, from $8.4 billion in 1977 to $18.9 billion in 1982, and increased as a proportion of total revenue from 7.3 percent to 8.9 percent during these years. From 1982 to 1984, income from other receipts increased nearly 13 percent and declined slightly to 8.4 percent as a proportion of total revenue for the sector. Essentially, between 1977 and 1982, income from dues, fees, and charges and from other receipts grew faster than private contributions, whereas from 1982 to 1984, private contributions grew faster than other income sources in the private sector.

Income from government to the independent sector grew faster than any other source of revenue between 1977 and 1980; support from government increased 49 percent, from $30.5 billion to $45.5 billion. Also during this period, total revenues from the private sector increased 41 percent. The proportion of total funds from government peaked at 27.8 percent in 1980 and then gradually declined to 26.9 percent in 1984, which was almost the same proportion that had been provided by income from government to the independent sector in 1977.

The total use of funds for the independent sector has been estimated by developing a composite of current operating expenditures from individual subsectors, particularly health and education, for which such information is available. For other subsectors, estimates were derived by using wages and salaries as a base. Table 2.2, which is a composite of such estimates, attempts to provide an overview of the total use of funds by the independent sector. The table incorporates the restraint that the use of funds includes the amount of wages, salaries, and fringe benefits for paid personnel in all sources, plus other costs of current operations and money spent for capital expenditures. The table also includes other funds, such as a corpus of funds held by foundations, some of which are held over from one year to the next, and miscellaneous funds so that the figure for the total sources of funds equals the sum of the parts. Between 1977 and 1984, paid personnel as a proportion of total funds steadily declined from 45.3 percent to 40.2 percent. The paid personnel category includes all employees providing services through this sector, such as physicians, teachers, researchers, faculty at private colleges and universities, administrators, and support staff, among others. In 1984, $101.9 billion was used for paid personnel.

Although the proportion of total funds used for paid personnel declined over the 1977-1984 period, the proportion of funds used for other current operating expenditures increased from 34.5 percent to 39.3 percent. Other current operating expenditures include occupancy costs, equipment, supplies, telephone, postage, consultants, and insurance. In 1984, other operating expenditures were estimated at $99.6 billion.

The proportion of funds used for construction and capital improvements ranged from a high of 6.6 percent ($7.5 billion) in 1977 to a low of 5.7 percent ($14.5 billion) in 1984. The residual account, "Other, including change in holding of funds," encompasses funds for which there is no information about their designated use (particularly in religious organizations) and errors of estimation. Conceptually, this account includes estimates of changes in holding of funds, particularly for foundations, but it also includes some endowment funds in larger voluntary organizations, such as colleges and universities, research institutions, museums, and hospitals.

Trends in Total Annual Sources and Uses of Support

Table 2.3 provides estimates of the full-time equivalent employment of volunteers 14 years old and older and the assigned value of that time. In 1984, the total full-time equivalent of more than 89 million volunteers was 6.6 million—5.0 million in the independent sector, 1.2 million in government, 200,000 in other nonprofit organizations, and another 200,000 in for-profit organizations. The assigned value of volunteer time to the independent sector is estimated at $80 billion for 1984. Full-time equivalent volunteer employment in the independent sector increased about 43 percent from 1977 to 1984, from 3.5. million to 5.0 million.

Because more than three-quarters of all volunteer employment is in the independent sector, neglecting to estimate the contribution of volunteer time and its value in sources of support for this sector would greatly limit any description of the scope and dimensions of the sector. Therefore, Table 2.4 provides a summary of the total sources of support for this sector, including the assigned value of volunteer time along with the total sources of funds.

Volunteer time constituted 24.0 percent of the total sources of support to the independent sector in 1984, down slightly from a high point of 25.8 percent in 1980. When the value of volunteer time is included in the total sources of support, the proportion of support from the private sector amounts to 80 percent rather than 73 percent, as shown in Table 2.1. The proportion of support from government drops to 20.4 percent.

The assigned value of volunteer time exceeds the value of total contributions. In 1977, the value of volunteer time exceeded contributions by almost 4 percent, and because the value of volunteer time increased faster than contributions between 1977 and 1984, the value of volunteer time was 17 percent higher than private contributions in 1984. In 1977, the assigned value of volunteer time and contributions together amounted to $68.9 billion, 46 percent of total sources of support. In 1984, the combined value was $148.3 billion, 44 percent of the total sources of support. Contributions of money and time together provided the largest single source of support for the independent sector from 1977 to 1984.

Table 2.5 provides a summary of the annual use of resources, which is an aggregation of the use of total annual funds and the assigned value of volunteer time. Adding the value of donated time creates another dimension to the total use of resources. Personnel, both paid and contributed, accounted for approximately 55 percent of the total use of resources in 1984, down from 58.1 percent in 1980, mainly because of a decline in the proportion of total resources represented by paid personnel over this period. Adding volunteer time also changes the proportion of other parts of the uses of funds, as shown in Table 2.2. Construction and capital improvements accounted for 4.3 percent of the total use of funds in 1984, down from 5.0 percent in 1977. Changes in holding of funds accounted for 11.2 percent of the total use of resources in 1984, up from a low of 9.9 percent in 1980.

Trends in Paid and Volunteer Employment

Table 2.6 summarizes the trends in the employment of all wage and salary workers (employees) in all sectors of the economy except agriculture. This series differs from the more inclusive estimates of all employment shown in Table 1.3 in Chapter One, which include all employees, self-employed, unpaid family workers, and volunteers.

Between 1977 and 1982, paid employment in the independent sector increased nearly 20 percent, from 5.5 million to 6.5 million, and as a proportion of total employment from 6.7 percent to 7.3 percent. Since 1982, the rate of growth in independent sector employment has declined. In 1983 and 1984, as the economy recovered from the depths of the recession reached in November 1982, employment in the independent sector grew 2 percent, compared with 7 percent for the for-profit sector. As a result, the proportion of total employment represented by the independent sector declined from 7.4 percent in 1983 to 7.1 percent in 1984.

Employees in the independent sector traditionally have been paid lower wages and salaries than employees in either business or government. Table 2.7 shows trends in the total and average wages and salaries of employees for all sectors except agriculture. In 1984, the average annual wage for all employees, excluding those in the independent sector, was $19,038, compared with $13,569 in the independent sector. Between 1977 and 1984, wages and salaries in the independent sector declined from 73 percent of the average annual wages for other sectors to 71 percent.

The composition of paid employees by sex and race in the independent sector is quite different from the composition for all nonagricultural sectors (Table 2.8). In 1984, 67.3 percent of paid employees in the independent sector were female, compared with 44.8 percent for all employees. In addition, nearly 14 percent of all employees in the independent sector were black, compared with 9.5 percent for all employees on nonagricultural payrolls. Hispanic employees accounted for almost 4 percent of employment in the independent sector compared with 5.3 percent for all employees on nonagricultural payrolls.

Trends in Current Operating Expenditures

When current operating expenditures are disaggregated by subsector, different trends emerge among the subsectors as well as in their relationships to wages and salaries (Table 2.9). The two subsectors that showed the most growth in current operating expenditures between 1977 and 1982 were health services, up 142 percent, and social services, up 140 percent.

The health services subsector had current operating expenditures of $104.7 billion in 1984, 52.0 percent of the total current operating expenditures for the independent sector ($201.5 billion). The proportion of total current operating expenditures accounted for by the health services subsector increased from 47.5 percent in 1977 to 51.8 percent in 1982. Total wages and salaries as a proportion of current operating expenditures in health services declined from 52.7 percent in 1977 to 47.4 percent in 1984, indicating that total wages and salaries did not increase at the same rate as other current operating expenditures throughout this period. Between 1977 and 1982, total employment in the health services subsector increased 25 percent, from 2.46 million to 3.07 million. From 1982 to 1984, total employment in health services increased 1 percent, indicating that the rate of growth typical of the 1970s in the health services subsector had come to a halt. Relative wages and salaries in the health services subsector grew from 10 percent above the average for the independent sector in 1977 to 17 percent above the average in 1982, and remained steady through 1984.

Between 1977 and 1984, the social services subsector increased its proportion of current sector operating expenditures from 9.1 percent ($8.3 billion) to 9.9 percent ($19.9 billion), and its share of independent sector employment from 12.7 percent (703,000) to 14.6 percent (972,000). However, wages and salaries as a proportion of current operating expenditures in this subsector declined from 49.4 percent to 45.7 percent during this period. Employment increased 29 percent from 1977 to 1982 and another 7 percent between 1982 and 1984. Throughout this period, relative wages and salaries in this subsector were 31 percent below the average wages for the independent sector, except in 1982 when they were 33 percent below the average.

The rates of growth in current operating expenditures and in employment were slower for religious organizations than for most other subsectors. Therefore, this subsector, which accounted for 10.5 percent

($9.6 billion) of the total sector operating expenditures in 1977, represented only 8.5 percent ($17.1 billion) in 1984. Relative wages and salaries in this subsector rose from 29 percent below the average wages for the sector in 1977 to 17 percent below the average wages in 1984.

Relative wages in all other subsectors declined from 1977 to 1984, and the rate of growth in these subsectors was much slower than in health services and social services. The proportion of current sector operating expenditures represented by the education and research subsector declined from 26.0 percent in 1977 to 24.2 percent in 1984. Employment increased 16 percent from 1977 to 1984, and relative salaries and wages in this subsector declined from 22 percent above the average wages in the independent sector in 1977 to 1 percent above average wages for the sector in 1984.

When the assigned dollar value for volunteer time is added to total paid employment and actual operating expenditures in the independent sector, a very different picture emerges among the subsectors (Table 2.10). Total volunteer employment (4.7 million) was equivalent to 70 percent of total paid employment (6.7 million) in the independent sector in 1984. When paid employees and full-time equivalent volunteer employees are added together (11.4 million), volunteers provided 41 percent of the total employment of the independent sector. Volunteers provided 14 percent of the total employment in health services; 20 percent in education; 77 percent in religious institutions; 52 percent in social services; 53 percent in civic, social, and fraternal organizations; and 61 percent in arts and cultural organizations. As a proportion of total operating expenditures, the assigned values of volunteer time were 7 percent of health services; 11 percent of education and research; 67 percent of religious organizations; 46 percent of social services; 46 percent of civic, social, and fraternal organizations; and 41 percent of arts and cultural organizations. In 1984, the inclusion of the assigned value of volunteer time tripled the actual current operating expenditures of religious organizations, raising them from $17.1 billion to $52.1 billion, and nearly doubled the expenditures of social services, from $19.9 billion to $36.9 billion.

Trends in Assets of Charitable Organizations and Foundations

Assets represent capital wealth. Studies of private foundations and 501(c)(3) tax-exempt charitable organizations were recently completed by the Statistics of Income Division of the Internal Revenue Service. These studies provide information on foundations and charitable organizations for 1982. (The most recent study on foundations was conducted in 1974; the most recent one on charitable organizations, in 1975.) The IRS sample on private foundations excluded community foundations, and the sample on charitable contributions excluded religious institutions and 501(c)(4) organizations, which are included as part of the independent sector for the purposes of this profile.

Table 2.11 summarizes the changing asset position of some subsectors of the independent sector. Total assets of private foundations and other 501(c)(3) organizations, excluding religious ones, increased 145 percent, from $134.0 billion in 1974-75 to $327.8 billion in 1982. Asset growth, however, varied by subsector. Assets of schools grew 57 percent between 1975 and 1982, compared with assets of hospitals, which grew 157 percent from 1975 to 1982, and foundations, which grew 89 percent from 1974 to 1982. The greatest growth in assets, however, took place in the other 501(c)(3) organizations (excluding schools, hospitals, and foundations), which were up 349 percent from 1975 to 1982.

Between 1975 and 1982, the ratio of liabilities to assets for schools dropped from 0.34 to 0.19; this ratio for hospitals increased from 0.42 to 0.48, and the ratio for the other 501(c)(3) organizations increased from 0.20 to 0.51. Unfortunately, the Internal Revenue Service does not separately analyze other tax-exempt organizations, nor does it break down these assets by major composition—physical and other. However, regular reporting of the assets of tax-exempt organizations is a critical determinant of the relative stability and financial health of the independent sector.

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TABLE 2.1

INDEPENDENT SECTOR: ANNUAL SOURCES OF FUNDS, 1977, 1980, 1982, 1983, AND 1984

	1977		1980		1982		1983		1984	
Sources of funds	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Private sector	$83.8	73.3%	$118.1	72.2%	$155.3	73.0%	$171.3	73.2%	$185.3	73.1%
Contributions	33.8	29.6	45.4	27.8	55.8	26.2	61.6	26.3	68.3	26.9
Dues, fees, and charges	41.6	36.4	60.3	36.9	80.6	37.9	89.5	38.2	95.7	37.8
Other receipts	8.4	7.3	12.4	7.6	18.9	8.9	20.2	8.6	21.3	8.4
Endowment (investment income)	5.3	4.6	7.9	4.8	12.6	5.9	13.5	5.8	14.0	5.5
Other[a]	3.1	2.7	4.5	2.8	6.3	3.0	6.7	2.9	7.2	2.8
Government sector	30.5	26.7	45.5	27.8	57.4	27.0	62.8	26.8	68.2	26.9
Total*	$114.3	100.0%	$163.6	100.0%	$212.7	100.0%	$234.1	100.0%	$253.5	100.0%

Sources: The figures in this table represent an aggregation of many individual estimates made for specific subsectors from both private and government sources. Private sector contributions were estimated primarily from the American Association of Fund-Raising Counsel, Inc., *Giving USA*, various editions, and from the Council for Financial Aid to Education, *Survey of Voluntary Support of Education*, various editions. Private contributions based on estimates from *Giving USA* are from the 1985 annual report and therefore differ slightly from those in the 1986 annual report. Tables 3.1, 3.2, and 3.3 incorporate the revised 1986 estimates. For health services and education and research, estimates were prepared largely from statistics published by the American Hospital Association, *Hospital Statistics*, various editions, and from the U.S. Department of Education (National Center for Education Statistics), *The Condition of Education*, various editions. For social services; civic, social, and fraternal organizations; arts and culture; and legal services, the estimates for payments from the private and government sectors and other receipts are derived from distribution patterns of revenues for fiscal year 1982 developed by the Salamon et al., *Nonprofit Sector Project, Progress Report No. 3*, The Urban Institute. Basic foundation information is from The Foundation Center, *National Data Book*, and *The Foundation Directory*, various editions, and from unpublished data of the Internal Revenue Service. Published and unpublished data used to estimate employment, wages and salaries, current operating expenditures, and construction and capital improvement were provided principally by government agencies. Published sources include U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, various editions; *Employment and Wages*, various editions; and *Non-Profit Service Organizations: 1982*, as assembled by the National Center for Charitable Statistics. Estimates on religious institutions were derived from Interfaith Research Committee of The Commission on Private Philanthropy and Public Needs, "A Study of Religious Receipts and Expenditures in the United States," *Research Papers*, vol. I, 1977.

*Totals may not add because of rounding.

[a] Includes net profit from sales, net rental income, and gains from sale of assets other than inventory.

▶ The proportion of annual sources of funds for the independent sector remained relatively steady from 1977 to 1984. Income from private sources—including revenue from private contributions, dues, fees, charges, and other receipts—made up about 73 percent of total annual funds. Support from government represented 27 percent.

▶ Total funds increased 86 percent from 1977 to 1982, 10 percent from 1982 to 1983, and 8 percent from 1983 to 1984. The rapid growth in resources for the sector peaked in 1982; since then, the sector has experienced a gradual slowdown in the rate of growth.

▶ There were some changes in the proportion of funds from various sources over this period. The proportion of private contributions declined from 29.6 percent of total annual funds in 1977 to a low of 26.2 percent in 1982, and then increased slightly to 26.9 percent in 1984.

▶ The proportion of annual funds from government peaked at 27.8 percent in 1980 and declined to 26.9 percent in 1984.

TABLE 2.2

INDEPENDENT SECTOR: ANNUAL USE OF FUNDS, 1977, 1980, 1982, 1983, AND 1984

	1977		1980		1982		1983		1984	
Use of funds	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Current operating expenditures	$91.1	79.8%	$132.0	80.7%	$171.0	80.4%	$188.5	80.5%	$201.5	79.5%
Paid personnel	51.7	45.3	71.2	43.5	90.3	42.5	97.1	41.5	101.9	40.2
Wages and salaries	46.7	40.9	64.1	39.2	80.7	37.9	86.3	36.9	90.6	35.7
Fringe benefits	5.0	4.4	7.1	4.3	9.6	4.5	10.8	4.6	11.3	4.5
Other	39.4	34.5	60.8	37.2	80.7	37.9	91.4	39.0	99.6	39.3
Construction and capital improvements	7.5	6.6	9.7	5.9	13.1	6.2	14.5	6.2	14.5	5.7
Other, including change in holding of funds	15.6	13.7	21.9	13.4	28.6	13.4	31.1	13.3	37.5	14.8
Total*	$114.2	100.0%	$163.6	100.0%	$212.7	100.0%	$234.1	100.0%	$253.5	100.0%

Sources: See Table 2.1; Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982"; and authors' estimates.

Note: Annual use of funds represents a composite of specific estimates for individual subsectors of the independent sector, with the constraint that such estimates equal those for annual sources of funds. Current operating expenditures were generally based on the specific estimates for individual sectors or were derived by applying to individual year estimates of wages and salaries the annual wages and salaries as a percentage of expenses observed for the years for which a census of service industries was taken. Under current operating expenditures, "Other" represents the difference between current operating expenditures and the estimates for paid personnel. "Construction and capital improvements" rely on the estimates from the Bureau of the Census, Construction Reports, and assumptions for various subsectors. "Other, including change in holding of funds" represents the difference between annual source of funds and identified use of funds.

*Totals may not add because of rounding.

- ▶ The proportion of total annual funds used for current operating procedures remained at approximately 80 percent from 1977 to 1984.
- ▶ The other 20 percent includes approximately 6 percent for construction and capital improvements and 14 percent in "Other, including change in holding of funds." This residual category includes funds from investments; grants from foundations, religious organizations, and other donor organizations; and other funds whose uses have not been fully identified.
- ▶ Personnel costs as a proportion of total annual funds declined from 45.3 percent to 40.2 percent between 1977 and 1984, whereas other expenses, including professional fees and insurance, increased from 34.5 percent to 39.3 percent.

TABLE 2.3

VOLUNTEERS: FULL-TIME EQUIVALENT VOLUNTEERS 14 YEARS OLD AND OLDER AND ASSIGNED DOLLAR VALUES BY SECTOR, 1977, 1980, 1982, 1983, AND 1984

(In terms of 1,700 hours per full-time volunteer; excludes volunteering in other than formal settings.)

Sector	1977 Number (millions)	1977 Amount (billions)	1980 Number (millions)	1980 Amount (billions)	1982 Number (millions)	1982 Amount (billions)	1983 Number (millions)	1983 Amount (billions)	1984 Number (millions)	1984 Amount (billions)
Private, nonprofit[a]	3.6	$36.3	4.7	$58.7	5.0	$72.7	5.0	$77.1	5.2	$82.6
Independent sector	**3.5**	**35.1**	**4.5**	**56.9**	**4.8**	**70.4**	**4.9**	**74.6**	**5.0**	**80.0**
Other	0.1	1.1	0.1	1.9	0.2	2.3	0.2	2.4	0.2	2.6
Private, for-profit	0.1	1.3	0.2	2.2	0.2	2.7	0.2	2.8	0.2	3.0
Government	0.8	8.4	1.1	13.5	1.1	16.8	1.2	17.8	1.2	19.1
Total*	4.6	$46.0	5.9	$74.4	6.3	$92.1	6.4	$97.7	6.6	$104.7

Sources: The Gallup Organization, Inc., *Americans Volunteer 1981*, and *Americans Volunteer 1985*, INDEPENDENT SECTOR, 1982 and 1986; Weitzman, "Measuring the Number of Hours Spent and Dollar Values of Voluntary Activity of Americans," *Working Papers*, INDEPENDENT SECTOR, 1983; and authors' estimates.

*Totals may not add because of rounding.

[a] The estimates shown here are the same as those in Chapter 1 (Tables 1.1 and 1.3). However, the distribution between the independent sector and other sectors differs. In this table, Table 2.3, the independent sector includes the estimates for volunteering in the area of recreation, whereas in the Chapter One tables, these figures are assigned to "Other private, nonprofit." Estimates of the number of full-time equivalent volunteers in recreation and their assigned value (assigned wages and salaries and supplements) are as follows:

Volunteer area	1970 Number (000s)	1970 Amount (millions)	1980 Number (000s)	1980 Amount (millions)	1982 Number (000s)	1982 Amount (millions)	1983 Number (000s)	1983 Amount (millions)	1984 Number (000s)	1984 Amount (millions)
Recreation	245	$2,451	315	$3,986	336	$4,909	341	$5,207	352	$5,580

▶ Volunteer time provides a major source of support to the independent sector. When the total volunteer hours are transformed into full-time equivalent volunteer employment, contributed volunteer time represented 5 million additional employees in the independent sector at an assigned value of $80 billion. Another 1.2 million full-time equivalent volunteers worked for government at an assigned value of $19.1 billion. The value of all volunteer time was estimated at $104.7 billion in 1984.

▶ The full-time equivalent employment of volunteers increased from 4.6 million in 1977 to 6.6 million in 1984, 43 percent. Approximately 76 percent of all volunteer time is contributed to the independent sector.

TABLE 2.4

INDEPENDENT SECTOR: ANNUAL SOURCES OF FUNDS INCLUDING ASSIGNED VALUE OF VOLUNTEER SERVICES, 1977, 1980, 1982, 1983, AND 1984

Sources of funds	1977 Amount (billions)	1977 Percent	1980 Amount (billions)	1980 Percent	1982 Amount (billions)	1982 Percent	1983 Amount (billions)	1983 Percent	1984 Amount (billions)	1984 Percent
Assigned value of volunteers	$ 35.1	23.5%	$ 56.9	25.8%	$ 70.4	24.9%	$ 74.6	24.2%	$ 80.0	24.0%
Actual dollar estimates	114.3	76.5	163.6	74.2	212.7	75.1	234.1	75.8	253.5	76.0
Private sector	83.8	56.1	118.1	53.6	155.3	54.9	171.3	55.5	185.3	55.6
Contributions	33.8	22.6	45.4	20.6	55.8	19.7	61.6	20.0	68.3	20.5
Dues, fees, and charges	41.6	27.8	60.3	27.3	80.6	28.5	89.5	29.0	95.7	28.7
Other receipts	8.4	5.6	12.4	5.6	18.9	6.7	20.2	6.5	21.3	6.4
Endowment (investment income)	5.3	3.5	7.9	3.6	12.6	4.5	13.5	4.4	14.0	4.2
Other	3.1	2.1	4.5	2.0	6.3	2.2	6.7	2.2	7.2	2.2
Government sector	30.5	20.4	45.5	20.6	57.4	20.3	62.8	20.3	68.2	20.4
Total*	$149.4	100.0%	$220.5	100.0%	$283.1	100.0%	$308.7	100.0%	$333.5	100.0%

Sources: See Tables 2.1, 2.3, and authors' estimates.

*Totals may not add because of rounding.

▶ When the assigned value of volunteers is added to the annual funds of the independent sector, the picture that emerges is different from that shown in Table 2.1. The assigned value of volunteers increases the proportion of total annual sources of support from the private sector to nearly 80 percent and lowers the proportion of support from government to 20 percent.

▶ The assigned value of volunteer time represented 24 percent of the total annual sources of support for the independent sector in 1984, which was a slight decline from the 26 percent of total support that the value of volunteer time represented in 1980.

▶ The assigned value of volunteer time exceeded total contributions throughout this period. When the assigned value of volunteer time and private contributions are added together, they represented about 45 percent of the total annual sources of support for the independent sector in 1984. Private contributions in time or money are the largest source of support for the sector, exceeding income from dues, fees, and charges (28 percent) and income from government (20 percent).

TABLE 2.5

INDEPENDENT SECTOR: ANNUAL USE OF RESOURCES, INCLUDING ASSIGNED VALUE OF VOLUNTEER SERVICES, 1977, 1980, 1982, 1983, AND 1984

	1977		1980		1982		1983		1984	
Use of resources	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Current operating expenditures	$126.2*	84.5%	$188.9	85.7%	$241.4	85.3%	$263.1	85.2%	$281.5	84.4%
Personnel	86.8	58.1	128.1	58.1	160.7	56.8	171.7	55.6	181.9	54.5
Wages and salaries	81.8	54.8	121.0	54.9	151.1	53.4	160.9	52.1	170.6	51.2
Paid personnel	46.7	31.3	64.1	29.1	80.7	28.5	86.3	28.0	90.6	27.2
Assigned value of volunteers	35.1	23.5	56.9	25.8	70.4	24.9	74.6	24.2	80.0	24.0
Fringe benefits	5.0	3.3	7.1	3.2	9.6	3.4	10.8	3.5	11.3	3.4
Paid personnel	5.0	3.3	7.1	3.2	9.6	3.4	10.8	3.5	11.3	3.4
Volunteers[a]	-	-	-	-	-	-	-	-	-	-
Other	39.4	26.4	60.8	27.6	80.7	28.5	91.4	29.6	99.6	29.9
Construction and capital improvements	7.5	5.0	9.7	4.4	13.1	4.6	14.5	4.7	14.5	4.3
Other, including change in holding of funds	15.6	10.4	21.9	9.9	28.6	10.1	31.1	10.1	37.5	11.2
Total*	$149.3	100.0%	$220.5	100.0%	$283.1	100.0%	$308.7	100.0%	$333.5	100.0%

Sources: See Tables 2.2, 2.3; and authors' estimates.

*Totals may not add because of rounding.

[a] Fringe benefits were included in "Assigned value of volunteers."

▶ When the assigned value of volunteer time is added to the annual use of resources, the proportion of total annual uses of support for personnel was 54.5 percent in 1984.

▶ The proportion of sources of support for paid personnel declined from 31.3 percent in 1977 to 27.2 percent in 1984. The assigned value of volunteer time peaked at 25.8 percent in 1980, and then declined to 24.0 percent in 1984.

▶ Total expenditures for paid personnel and volunteers were $181.9 billion in 1984. The value of volunteer time was 44 percent of expenditures for personnel in 1984, up from 40 percent in 1977.

TABLE 2.6

INDEPENDENT SECTOR: CIVILIAN, NONAGRICULTURAL EMPLOYMENT OF WAGE AND SALARY WORKERS BY SECTOR, 1977, 1982, 1983, AND 1984

	1977		1982		1983		1984	
Sector	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent
Private, for-profit	61,353	74.4%	66,677	74.4%	67,187	74.5%	71,291	75.5%
Goods-producing	24,346	29.5	23,813	26.6	23,334	25.9	24,730	26.2
Services-producing	37,007	44.9	42,864	47.9	43,853	48.6	46,561	49.3
Private, nonprofit	5,991	7.3	7,052	7.9	7,143	7.9	7,185	7.6
Independent sector	**5,520**	**6.7**	**6,543**	**7.3**	**6,639**	**7.4**	**6,677**	**7.1**
Other nonprofit	471	0.6	509	0.6	504	0.6	509	0.5
Government	15,127	18.3	15,837	17.7	15,870	17.6	15,985	16.9
Federal	2,727	3.3	2,739	3.1	2,774	3.1	2,807	3.0
State	3,377	4.1	3,640	4.1	3,662	4.1	3,712	3.9
Local	9,023	10.9	9,458	10.6	9,434	10.5	9,466	10.0
Total*	82,471	100.0%	89,566	100.0%	90,196	100.0%	94,461	100.0%

Sources: U.S. Bureau of Labor Statistics, *"Employment and Earnings,"* June 1985, Table B-1, p. 61; Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector 1972-1982", and authors' estimates.

*Totals may not add because of rounding.

▶ Of the 94,461,000 civilian workers, excluding those in agriculture, who were employed in 1984, 75.5 percent worked in the private, for-profit sector; 16.9 percent in government; 7.1 percent in the independent sector; and less than 1 percent in other nonprofit organizations.

▶ The number of employees in the independent sector increased rapidly, up nearly 20 percent from 1977 through 1982. Employment increased 1.5 percent from 1982 to 1983, but showed almost no increase from 1983 to 1984; as a result, the proportion of total employment represented by this sector somewhat declined.

▶ From 1983 to 1984, employment increased 6.1 percent in the private, for-profit sector. From 1977 to 1984, the number of employees in government increased only 5.7 percent, and employment in government as a proportion of total employment declined from 18.3 percent to 16.9 percent.

TABLE 2.7
INDEPENDENT SECTOR: NUMBER OF EMPLOYEES ON NONAGRICULTURAL PAYROLLS AND THEIR TOTAL WAGES AND SALARIES BY EMPLOYMENT UNIVERSE, 1984, 1983, 1982, AND 1977

	Employment		Total wages and salaries		Annual average wages and salaries: Column (3) divided by column (1)		Alternative wage and salary bases	
Nonagricultural employees	Number (000s)	Percent	(billions)	Percent	Dollars	All = 100.0	a	b
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1984								
All employees	94,461[a]	100.0%	$1,761.8[b]	100.0%	$18,651	100.0	-	-
All except in nonprofit entities	87,276	92.4	1,662.4	94.4	19,048	102.1	100.0	-
All except in independent sector	87,784	92.9	1,671.2	94.9	19,038	102.1	-	100.0
In nonprofit entities	7,185[c]	7.6	99.4[c]	5.6	13,834	74.2	72.6	-
In independent sector	**6,677[c]**	**7.1**	**90.6[c]**	**5.1**	**13,569**	**72.8**	**-**	**71.3**
1983								
All employees	90,196	100.0%	1,592.1	100.0%	$17,652	100.0	-	-
All except in nonprofit entities	83,053	92.1	1,497.4	94.1	18,029	102.2	100.0	-
All except in independent sector	83,557	92.6	1,505.8	94.6	18,021	102.1	-	100.0
In nonprofit entities	7,143	7.9	94.7	5.9	13,258	75.1	73.5	-
In independent sector	**6,639**	**7.4**	**86.3**	**5.4**	**12,999**	**73.7**	**-**	**72.1**
1982								
All employees	89,566	100.0%	1,504.9	100.0%	$16,802	100.0	-	-
All except in nonprofit entities	82,514	92.1	1,416.2	94.1	17,163	102.2	100.0	-
All except in independent sector	83,023	92.7	1,424.2	94.6	17,154	102.1	-	100.0
In nonprofit entities	7,052	7.9	88.7	5.9	12,578	74.9	73.3	-
In independent sector	**6,543**	**7.3**	**80.7**	**5.4**	**12,334**	**73.4**	**-**	**71.9**
1977								
All employees	82,471	100.0%	942.9	100.0%	$11,433	100.0	-	-
All except in nonprofit entities	76,480	92.7	891.1	94.5	11,651	101.9	100.0	-
All except in independent sector	76,951	93.3	896.2	95.0	11,646	101.9	-	100.0
In nonprofit entities	5,991	7.3	51.8	5.5	8,646	75.6	74.2	-
In independent sector	**5,520**	**6.7**	**46.7**	**5.0**	**8,460**	**74.0**	**-**	**72.7**

[a] Bureau of Labor Statistics (BLS), *Employment and Earnings*, June 1985, Table B-1, p.61.

[b] Bureau of Economic Analysis (BEA), *Survey of Current Business*, various National Income issues which usually appear in July, and in Table 6.6B—Wages and Salaries by Industry, except for 1984. The estimates for domestic industries (except for 1984) are adjusted to accord with the BLS universe, which relates to employees on nonagricultural payrolls. Subtracted from the BEA universe for each year are the wages and salaries for (1) agriculture, forestry, and fisheries, (2) private households, and (3) military, including Coast Guard. The total value of the adjustments subtracted from the BEA estimates in millions of dollars are 1977, $40,334; 1982, $63,237; and 1983, $66,719. The estimates to make the adjustment for 1984 were not available because of the ongoing revisions in the National Income Accounts. It was assumed that the relationship for 1983 held for 1984. Accordingly, the BEA estimate for wages and salaries of $1,835.2 billion was reduced by 4 percent to approximate the BLS universe.

[c] Estimates for 1983 and 1984 were prepared at INDEPENDENT SECTOR following, primarily, the methodology in Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982." Estimates for 1977 and 1982, with some modifications, are based on Rudney and Weitzman.

▶ Typically, average wages and salaries in the independent sector are lower than those in other sectors of the economy, but between 1977 and 1984 average wages and salaries in the independent sector further declined in relation to those in all other sectors. Relative wages and salaries were 27 percent lower than the average for all employees except those in the nonprofit sector in 1977 and 29 percent lower in 1984.

▶ Average wages and salaries increased 60 percent in the independent sector from 1977 to 1984, compared with a 63 percent increase for average salaries in other sectors of the economy.

TABLE 2.8

EMPLOYMENT: EMPLOYEES ON NONAGRICULTURAL PAYROLLS AND IN INDEPENDENT SECTOR, BY SEX, BLACK, AND HISPANIC ORIGIN, 1984

	All nonagricultural employees		Independent sector employees			"Representation"[b] total = 100
Characteristic	Number (000s) (1)	Percent (2)	Number (000s) (3)	Percent (4)	As a percentage of all (5)	Column (4) divided by column (2) X 100 (6)
Male	52,152	55.2%	2,183	32.7%	4.2%	59
Female	42,309	44.8	4,494	67.3	10.6	150
Total	94,461	100.0	6,677	100.0	7.1	100
Black	8,974	9.5	928	13.9	10.3	146
Hispanic origin[a]	4,912	5.2	262	3.9	5.3	75
Total	13,886	14.7	1,190	17.8	8.6	121

Sources: U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, January 1985; and authors' estimates.

[a] Persons of Hispanic origin may be of any race.

[b] Represents the proportionate difference in employment for employees with a specific characteristic in the independent sector and for all on nonagricultural payrolls.

▶ The proportion of women and blacks employed in the independent sector was significantly higher than the proportion in the nonagricultural sector.

▶ In 1984, two-thirds of all employees in the independent sector were women; the proportion of women on nonagricultural payrolls was 45 percent. One out of ten employed women worked in the independent sector.

▶ Blacks constituted 14 percent of total employment in the independent sector, compared with 9.5 percent of all employees. One out of 10 employed blacks worked in the independent sector.

▶ Hispanics represented only 3.9 percent of total employees in the independent sector, compared with 5.2 percent of employment nationally.

TABLE 2.9

INDEPENDENT SECTOR: CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND NUMBER OF EMPLOYEES BY SUBSECTOR, 1984, 1983, 1982, AND 1977

	Current operating expenditures		Wages and salaries		Percentage of current operating expenditures	Employment		Percentage of wages and salaries as a percentage of employment
Subsector	Amount (billions) (1)	Percent (2)	Amount (billions) (3)	Percent (4)	Column (3) divided by column (1) x 100 (5)	Number (000s) (6)	Percent (7)	Column (4) divided by column (7) x 100 (8)
1984								
Health services	$104.7	52.0%	$49.6	54.7%	47.4%	3,116.3	46.7%	117%
Education/research	48.7	24.2	20.3	22.4	41.7	1,483.5	22.2	101
Religious organizations	17.1	8.5	7.3	8.1	42.7	645.5	9.7	83
Social services	19.9	9.9	9.1	10.0	45.7	972.4	14.6	69
Civic, social, and fraternal organizations	6.7	3.3	2.5	2.8	37.3	328.3	4.9	56
Arts and culture, including public television and radio	3.4	1.7	1.2	1.3	35.3	98.2	1.5	90
Foundations, including international activities	0.6	0.3	0.3	0.3	50.0	17.8	0.3	124
Legal services	0.4	0.2	0.3	0.3	75.0	14.5	0.2	152
Total*	**$201.5**	**100.0%**	**$90.6**	**100.0%**	**45.0%**	**6,676.5**	**100.0%**	**100%**
1983								
Health services	$ 98.2	52.1%	$47.5	55.0%	48.4%	3,115.3	46.9%	117%
Education/research	44.7	23.7	19.1	22.1	42.7	1,467.4	22.1	100
Religious organizations	17.1	9.1	7.3	8.5	42.7	670.0	10.1	84
Social services	18.4	9.8	8.4	9.7	45.7	942.5	14.2	69
Civic, social, and fraternal organizations	6.1	3.2	2.3	2.7	37.7	317.7	4.8	56
Arts and culture, including public television and radio	3.0	1.6	1.1	1.3	36.7	93.4	1.4	91
Foundations, including international activities	0.6	0.3	0.3	0.3	50.0	17.8	0.3	130
Legal services	0.4	0.2	0.3	0.3	75.0	14.5	0.2	159
Total*	**$188.5**	**100.0%**	**$86.3**	**100.0%**	**45.8%**	**6,638.6**	**100.0%**	**100%**
1982								
Health services	$ 88.6	51.8%	$44.4	55.0%	50.1%	3,074.9	47.0%	117%
Education/research	40.5	23.7	18.2	22.6	44.9	1,442.9	22.1	102
Religious organizations	16.0	9.4	6.8	8.4	42.5	691.2	10.6	80
Social services	16.4	9.6	7.5	9.3	45.7	906.9	13.9	67
Civic, social, and fraternal organizations	5.6	3.3	2.1	2.6	37.5	305.1	4.7	56
Arts and culture, including public television and radio	2.9	1.7	1.1	1.4	37.9	89.1	1.4	100
Foundations, including international activities	0.6	0.4	0.3	0.4	50.0	18.4	0.3	132
Legal services	0.4	0.2	0.3	0.4	75.0	14.5	0.2	168
Total*	**$171.0**	**100.0%**	**$80.7**	**100.0%**	**47.2%**	**6,543.0**	**100.0%**	**100%**
1977								
Health services	$ 43.3	47.5%	$22.8	48.8%	52.7%	2,458.7	44.5%	110%
Education/research	23.7	26.0	13.2	28.3	55.7	1,279.7	23.2	122
Religious organizations	9.6	10.5	4.1	8.8	42.7	678.5	12.3	71
Social services	8.3	9.1	4.1	8.8	49.4	702.7	12.7	69
Civic, social, and fraternal organizations	4.0	4.4	1.5	3.2	37.5	305.4	5.5	58
Arts and culture, including public television and radio	1.6	1.8	0.6	1.3	37.5	65.7	1.2	108
Foundations, including international activities	0.4	0.4	0.2	0.4	50.0	16.4	0.3	144
Legal services	0.2	0.2	0.2	0.4	100.0	12.4	0.2	191
Total*	**$ 91.1**	**100.0%**	**$46.7**	**100.0%**	**51.3%**	**5,519.5**	**100.0%**	**100%**

Sources: See Table 2.1. Annual current operating expenditures by subsector represent an aggregation of many individual estimates made for specific subsectors from both private and government sources. For health services and education and research, estimates were prepared largely from statistics of the American Hospital Association and the U.S. National Center for Educational Statistics. For many subsectors, the Bureau of Labor Statistics, the Bureau of the Census, and the Bureau of Economic Analysis provide data that are used to estimate employment, wages and salaries, current operating expenditures, and construction and capital improvements.

*Totals may not add because of rounding.

- When current operating expenditures for the independent sector are disaggregated into its various subsectors, certain trends emerge. Between 1977 and 1982, the major growth in expenditures and employment occurred in the health services subsector, primarily hospitals. Expenditures as a proportion of total current operating expenditures in this subsector grew from 47.5 percent to 51.8 percent. Employment in this subsector grew from 44.5 percent to 47.0 percent of total employment of the independent sector. As a result of changing federal policies, growth in this subsector leveled off in 1983, and started to decline slightly in relation to the rest of the independent sector in 1984.

- Another subsector that grew rapidly in terms of employment from 1977 to 1982 was social services, which increased its proportion of total employment for the sector from 12.7 percent to 13.9 percent. After 1982, employment in this subsector increased less rapidly. Employment in this subsector grew more rapidly than current operating expenditures. Wages and salaries as a proportion of current operating expenditures declined from 49.4 percent in 1977 to 45.7 percent in 1984, indicating that even though employment was increasing, salaries remained low. From 1977 to 1984, total wages and salaries declined as a proportion of current operating expenditures, from 51.3 percent to 45.0 percent.

- In two subsectors, education and research and religious organizations, both expenditures and employment grew at a slower rate than in health services and social services. As a result, both subsectors showed a decline in the proportion of the total operating expenditures for the independent sector from 1974 to 1984.

- Relative wages and salaries among the subsectors were highest in foundations and legal services and lowest in social services and civic, social, and fraternal organizations. Between 1977 and 1984, relative wages increased in two subsectors (health services and religious organizations); declined in four others (education and research, arts and culture, foundations, and legal services); and remained essentially unchanged in social services and civic, social, and fraternal organizations.

Independent Sector: Current Operating Expenditures

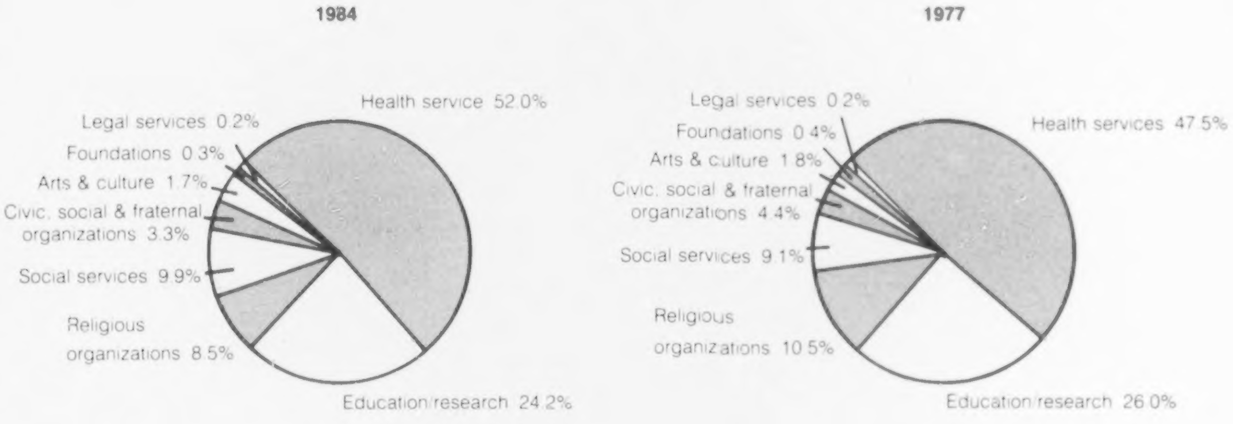


TABLE 2.10

INDEPENDENT SECTOR AND MEMBERSHIP, SPORTS, AND RECREATION CLUBS: ACTUAL AND ASSIGNED VALUES FOR CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND NUMBER OF EMPLOYEES, 1984

(Full-time equivalent volunteers are 14 years old or older and are assumed to work 1,700 hours per year)

	Current operating expenditures					Employment		
	Total[a]		Wages and salaries					
Subsector	Including assigned values (billions)	Actual (billions)	Total (billions)	Actual (billions)	Assigned values[b] (billions)	Total (000s)	Actual paid employees (000s)	Full-time equivalent volunteers[b] (000s)
Health services	$113.0	$104.7	$57.0	$49.6	$7.4	3,640	3,116	524
Education/research	54.6	48.7	25.6	20.3	5.3	1,856	1,484	372
Religious organizations	52.1	17.1	38.5	7.3	31.2	2,850	646	2,204
Social services	36.9	19.9	24.3	9.1	15.2	2,043	972	1,071
Civic, social, and fraternal organizations	12.5	6.7	7.7	2.5	5.2	695	328	367
Membership, sports, and recreation clubs	8.6	3.0	6.2	1.2	5.0	462	111	351
Arts and culture, including public television and radio	5.8	3.4	3.4	1.2	2.2	252	93	154
Foundations, including international activities	0.6	0.6	0.3	0.3	-	18	18	-
Legal services	0.4	0.4	0.3	0.3	-	15	15	-
Total*, including membership, sports, and recreation clubs	$284.5[c]	$204.5	$163.3	$91.8	$71.4	11,831	6,788	5,043
Total*, excluding membership, sports, and recreation clubs	$275.9	$201.5	$157.1	$90.6	$66.4	11,369	6,677	4,692
				Percentage distribution—rows				
Health services	100.0%	92.65%	100.0%	87.02%	12.98%	100.0%	85.60%	14.40%
Education/research	100.0	89.19	100.0	79.30	20.70	100.0	79.96	20.04
Religious organizations	100.0	32.82	100.0	18.96	81.04	100.0	22.67	77.33
Social services	100.0	53.93	100.0	37.45	62.55	100.0	47.58	52.42
Civic, social, and fraternal organizations	100.0	53.60	100.0	32.47	67.53	100.0	47.19	52.81
Membership, sports, and recreation clubs	100.0	34.88	100.0	19.35	80.65	100.0	24.03	75.97
Arts and culture, including public television and radio	100.0	58.62	100.0	35.29	64.71	100.0	38.89	61.11
Foundations, including international activities	100.0	100.00	100.0	100.00	-	100.0	100.00	-
Legal services	100.0	100.00	100.0	100.00	-	100.0	100.00	-
Total*, including membership, sports, and recreation clubs	100.0%	71.88%	100.0%	56.22%	43.72%	100.0%	57.37%	42.63%
Total*, excluding membership, sports, and recreation clubs	100.0%	73.03%	100.0%	57.67%	42.27%	100.0%	58.73%	41.27%
				Percentage distribution—columns				
Health services	40.96%	51.96%	36.28%	54.75%	11.14%	32.02%	46.67%	11.17%
Education/research	19.79	24.17	16.30	22.41	7.98	16.33	22.23	7.93
Religious organizations	18.88	8.49	24.51	8.06	46.99	25.07	9.68	46.97
Social services	13.37	9.88	15.47	10.04	22.89	17.97	14.56	22.83
Civic, social, and fraternal organizations	4.53	3.33	4.90	2.76	7.83	6.11	4.91	7.82
Membership, sports, and recreation clubs	NA	NA	NA	NA	NA	NA	NA	NA
Arts and culture, including public television and radio	2.10	1.69	2.16	1.32	3.31	2.22	1.47	3.28
Foundations, including international activities	0.22	0.30	0.19	0.33	-	0.16	0.27	-
Legal services	0.14	0.20	0.19	0.33	-	0.13	0.22	-
Total*, excluding membership, sports, and recreation clubs	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00	100.00

Sources: See Table 2.1; The Gallup Organization, Inc., *Americans Volunteer,* various surveys; and authors' estimates.

Dash = Too small to estimate.

NA = Not applicable.

*Totals may not add because of rounding.

[a] Under current operating expenditures are shown totals including assigned values for volunteers and actual dollar estimates. The differences between the figures that include assigned values and the actual estimates are the estimates of assigned values for wages and salaries plus an additional 12 percent for fringe benefits (pension programs, vacations, sick leave, unemployment insurance, and others).

[b] The distribution pattern shown in Table 4.9 for private, nonprofit organizations and the independent sector for 1985 was used to derive the estimates for 1984, along with total 1984 full-time equivalent employment and the dollar estimate in Table 2.3. The dollar estimate in Table 2.3 include fringe benefits. This estimate was adjusted to a wage and salary base by dividing the total $80 billion by an adjustment factor of 1.12.

[c] Table 2.2 is unencumbered with the inadvertent adjustments appearing in Tables 2.5 and 2.10 that stemmed from the differential treatment accorded membership, sports, and recreation clubs. In the usual independent sector universe, membership, sports, and recreation clubs are assigned to nonprofit organizations outside the independent sector universe. When estimates were prepared for volunteers, the membership, sports, and recreation clubs were included in the independent sector universe. Thus, in Table 2.5 assigned values for volunteers includes a value of $5.6 billion (wages and salaries plus fringe benefits) for 1984 for membership, sports, and recreation clubs. In Table 2.10, the estimate for membership, sports, and recreation clubs is $5.0 billion, excluding the 12 percent estimated for fringe benefits. Total current operating expenditures, in addition to the assigned value for wages and salaries, include fringe benefits for membership, sports, and recreation clubs. The difference of $3.0 billion in current operating expenditures in 1984 between Tables 2.2, 2.5, and 2.10 reflects the insertion of actual current operating expenditures of $3.0 billion for membership, sports, and recreation clubs.

▶ When the current operating expenditures for each subsector are disaggregated and the assigned value of the full-time equivalent employment of volunteers is distributed among the subsectors, a picture very different from that shown in Table 2.9 emerges. The contributions of volunteer time represented 41 percent of total employment in the independent sector in 1984.

▶ Several subsectors depended on volunteers to contribute more than half of their total employment. For religious organizations, volunteers provided more than three-quarters (77 percent) of total employment. When assigned values for volunteers were added to total expenditures for religion, the current operating expenditures for religion tripled, from $17.1 billion to $52.1 billion. Religion moved from the fourth-largest subsector after social services to a subsector almost the size of the second-largest subsector, education and research, and the number of total employees (including volunteers) moved from 646,000 to 2.8 million, exceeded only by health services.

▶ Arts and cultural organizations depended on volunteers for 61 percent of their total employment, and both social service organizations and civic, social, and fraternal organizations depended on volunteers for more than half of their employment. Membership, sports, and recreation clubs, which are usually included as part of other nonprofit organizations, depended on volunteers to provide 76 percent of their employment.

TABLE 2.11
INTERNAL REVENUE SERVICE: 501(C)(3) TAX-EXEMPT ORGANIZATIONS, REVENUES, EXPENDITURES, LIABILITIES, AND NET WORTH, 1982, 1975, AND 1974

501 (c)(3) organizations	Revenues		Expenditures		Assets[a]		Liabilities		Net worth		Ratio of	
	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Liabilities to assets	Revenues to assets
1982												
501 (c)(3) organizations, excluding private foundations and religious organizations*	$196.3	100.0%	$181.3	100.0%	$279.6	100.0%	$116.8	100.0%	$162.8	100.0%	0.42	0.70
Hospitals	92.8	47.3	87.8	48.4	95.1	34.0	46.0	39.4	49.1	30.2	0.48	0.98
Schools	35.6	18.1	30.2	16.7	73.5	26.3	13.7	11.7	59.8	36.7	0.19	0.48
Other	68.0	34.6	63.1	34.8	111.0	39.7	57.1	48.9	53.9	33.1	0.51	0.61
Private foundations	$ 9.1	100.0%	$ 5.2[b]	100.0%	$ 48.2	100.0%	$ 2.6	100.0%	$ 45.6	100.0%	0.05	0.19
1975												
501 (c)(3) organizations, excluding private foundations and religious organizations*	$ 65.5	100.0%	-	-	$108.5	100.0%	$ 36.3	100.0%	$ 72.2	100.0%	0.33	0.60
Hospitals	41.3	63.1	-	-	37.0	34.1	15.4	42.4	21.6	29.9	0.42	1.12
Schools	19.1	9.2	-	-	46.8	43.1	15.9	43.8	30.9	42.8	0.34	0.41
Other	5.1	7.8	-	-	24.7	22.8	5.0	13.8	19.7	27.3	0.20	0.21
Private foundations (1974)	$ 2.8	100.0%	$ 2.4	100.0%	$ 25.5	100.0%	$ 1.6	100.0%	$ 23.9	100.0%	0.06	0.11

Sources: Unpublished data from the U.S. Department of the Treasury (Internal Revenue Service), from probability samples of foundations and 501(c)(3) tax-exempt organizations which were subject to intensive statistical editing and checks for consistency.

Dash = Not available.

*Totals may not add because of rounding.

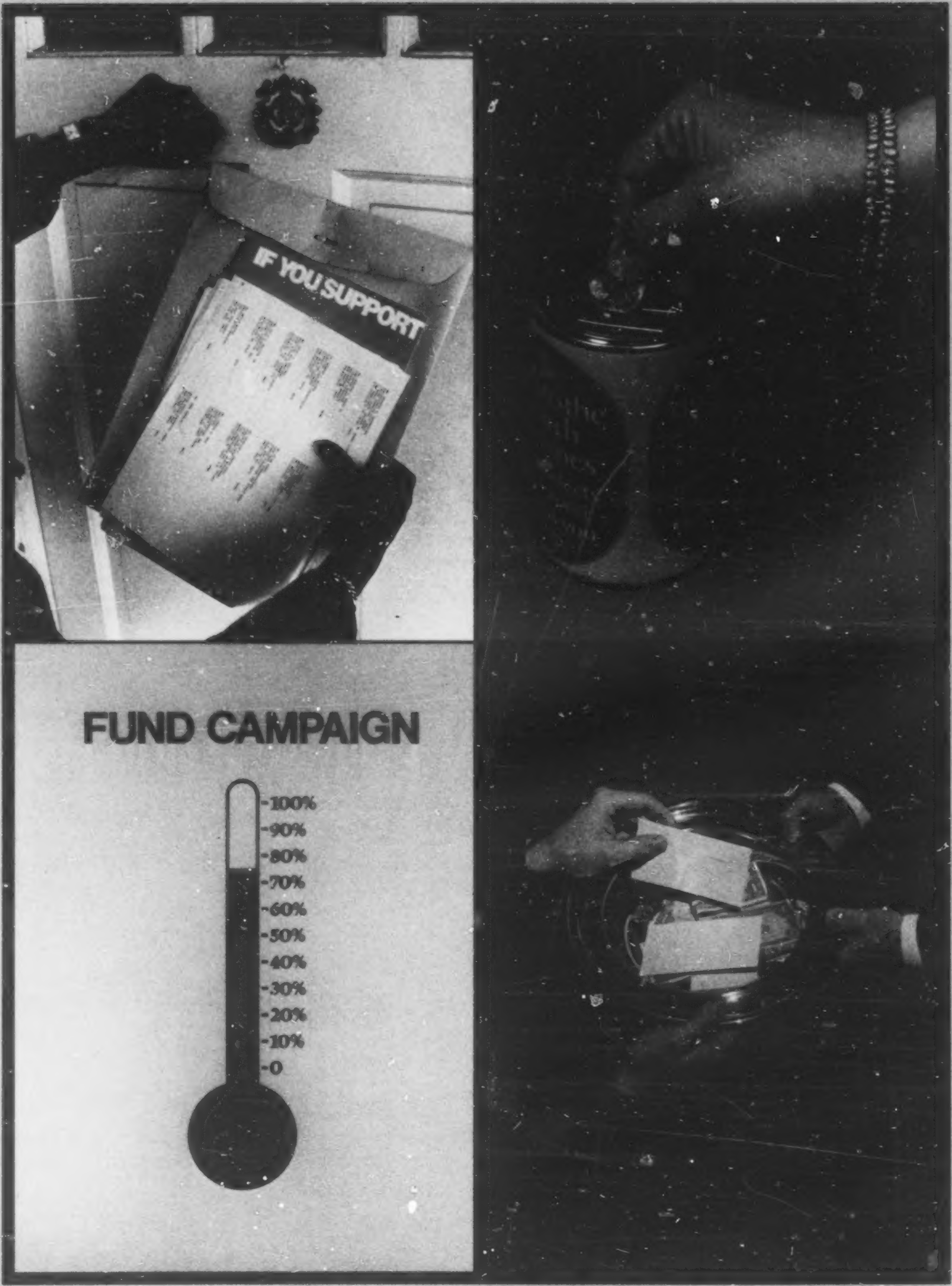
[a] Book value.

[b] Tax-exempt expenditures.

▶ Total assets for 501(c)(3) organizations, excluding religious organizations, increased 145 percent between 1974 or 1975 and 1982, from $134.0 billion to $327.8 billion. Total assets for 501(c)(3) organizations, excluding foundations and religious organizations, increased 157 percent from 1975 to 1982, and total assets of foundations increased 89 percent from 1974 to 1982.

▶ The asset position of various subgroups in the independent sector changed during this period. Assets of hospitals increased 157 percent from 1975 to 1982, but assets of schools grew far more slowly—only 57 percent. Assets in all other 501(c)(3) organizations grew faster than either hospitals or schools, up 349 percent from 1975 to 1982.

▶ The ratio of liabilities to assets changed between 1975 and 1982. The ratio for schools fell from 0.34 to 0.19; hospitals and all other 501(c)(3) organizations showed increases in the ratio of liabilities to assets—hospitals from 0.42 to 0.48, and other organizations from 0.20 to 0.51.


IF YOU SUPPORT
FUND CAMPAIGN
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0

CHAPTER THREE
TRENDS IN PRIVATE SOURCES OF SUPPORT FOR THE INDEPENDENT SECTOR

Since colonial times, the traditional sources of support for the independent sector have been individual contributions of time, money, and goods. During the 19th and 20th centuries, foundations and corporations became additional private sources of support. To understand this sector, it is important to examine the trends in voluntary support which provide a barometer for public support of the activities of this sector and its continued vitality. This chapter first assesses trends in total private contributions and then presents more detailed trends on individual giving, volunteering, foundation giving, and corporate contributions.

Trends in Total Private Contributions

Private contributions traditionally have included cash and in-kind gifts from living persons, personal bequests, foundations, and corporations. Since 1955, the American Association of Fund-Raising Counsel has been assembling annual estimates of such contributions. These estimates have been compared with the expenditures of nonprofit organizations constructed from data published by the Bureau of Economic Analysis of the U.S. Department of Commerce.

Historically, private contributions have been made not only to assist private, nonprofit organizations in their current operations, but also to support a variety of other purposes. Private donations are made for capital expenditures, such as buildings; for endowments; and for academic scholarships and fellowships. Contributions are also made to public institutions such as schools, universities, hospitals, libraries, and governments. Table 3.1 shows total contributions from all private sources in relation to current operating expenditures in nonprofit organizations and to total national income.

Although neither set of figures is precise with respect to the independent sector, the table does include most private contributions and the current operating expenditures associated with that sector. When these estimates are examined, some broad inferences can be made concerning the changing role of private contributions and their relationship to current operating expenses in the independent sector over time. Contributions as a percentage of total expenditures declined from 70.6 percent in 1955 to 32.7 percent in 1984. Much of the fall in contributions since 1955 can be attributed to growth in government funding in health services, education, and social welfare.

Between 1955 and 1963, total contributions as a percentage of national income rose from 2.33 percent to 2.70 percent—the all-time high. The figure declined slightly later, but rose again to 2.69 percent in 1971. During the 1970s, the figure steadily declined to a low of 2.21 percent in 1978. After 1978, contributions as a percentage of national income started to rise again, to 2.41 in 1984.

Even though per capita giving in current dollars increased fivefold from 1960 to 1984, per capita giving in real terms did not increase. The per capita figure peaked at $130 in 1968 and 1969 and declined to a low of $106 in 1975. Per capita contributions then increased fairly steadily until 1984, indicating both a real increase in giving and a decline in inflation during the 1980s.

Breaking down private contributions by source reveals some notable trends (Table 3.2). Gifts by living persons and personal bequests have remained the main source of giving over the decades. Approximately 90 percent of all contributions come from individuals, both living and dead. Foundation giving as a proportion of total giving grew rapidly during the 1960s and peaked at 9 percent of total giving in 1970. During the inflationary 1970s, foundation giving as a proportion of total giving started to decline. From 1970 to 1980, corporate giving increased at a faster rate than all other giving. During the 1980s, both individual giving and foundation giving improved as the result of a better return on investments and the reduction of inflation.

When total individual giving is compared with population growth and total personal income (Table 3.3), similar trends emerge. Individual contributions in constant dollars were highest in the 1950s. After hitting a low of $87 in 1974 and 1975, per capita giving in constant dollars began to increase in 1976 and reached $99 in 1984, essentially the level it had been in 1955. Individual giving as a percentage of total personal income peaked at 2.48 percent in 1955, and gradually declined to a low of 1.85 percent in 1974. After fluctuating for a few years, it rose from 1.88 percent in

1979 to 1.96 percent in 1984, which is the highest it has been since 1972.

Characteristics of Individual Givers

In 1984, the Rockefeller Brothers Fund commissioned Yankelovich, Skelly and White, Inc., to conduct a national survey on the charitable behavior of Americans. This survey collected detailed information about the demographic characteristics of givers and nongivers and tested some hypotheses about why people give to specific charities. This survey revealed information never before collected on personal giving behavior.

Table 3.4 shows that in 1984, 89 percent of Americans reported giving an average of $650 to charity, with $470 going to religious charities and $180 to other charities. Although 61 percent of Americans gave 1 percent or less of their incomes to charity, 39 percent of Americans gave 2 percent or more. Slightly more than 70 percent of individual giving goes to religious charities (Table 3.5). Persons who report higher household incomes give a larger proportion of their incomes to other charities than do persons with lower incomes.

Persons with higher incomes also account for a larger share of the total giving (Table 3.6). Persons with household incomes of $50,000 and over accounted for 13 percent of the households but made 37 percent of the total individual contributions in 1984. Persons with household income between $20,000 and $50,000 accounted for 42 percent of total households but made 46 percent of total contributions. Persons with incomes under $20,000 accounted for 45 percent of total households and made 17 percent of total contributions.

Income is not the only characteristic that determines generous giving. Higher education, age, religious denomination, occupation, marital status, and the number of children in the household also have influence (Tables 3.7, 3.8, and 3.9).

One of the major findings of this survey was that people who attended religious services (86 percent) made 94 percent of the total contributions to charity in 1984 (Table 3.10). The 44 percent who reported attending church weekly made 66 percent of total charitable contributions in 1984. People who attended religious services weekly on average gave more than three times as much to charity ($990) as those who never attended at all ($300) (Table 3.11).

People who planned their giving (42 percent), that is, pledged a dollar amount to their church or synagogue, gave almost twice as much ($880) as those who did not pledge ($460) (Table 3.12). Although 42 percent of the givers pledged a dollar amount to their church or synagogue, only 5 percent of all givers reported pledging a specific amount to other charities. In fact, 95 percent of givers reported that they considered each gift to other charities on its merits rather than planning their giving.

People who perceived that they had some discretionary income, regardless of the amount, gave more to charity than did people who reported that they had no discretionary income (Table 3.13). Similarly, people who worried less about money gave more than those who worried a lot about money (Table 3.14).

Regardless of income, more of the persons above age 35 were substantial givers, defined as giving 2.5 percent or more of their household income, than of the persons below age 35 (Table 3.15). Thirty-five million Americans above the age of 18 (41 percent) responded that they were not giving as much to charity as they should (Tables 3.16 and 3.17). An overwhelming majority of Americans (81 percent) believe that people have a responsibility to give what they can to charity (Table 3.18).

When Americans were asked how their giving compared with that of others like themselves, many knew what others were giving (Table 3.19). However, more than one fifth of Americans responded that they were not sure. More than one fourth of low-level givers responded that they did not know how their giving compared with the giving of their peers.

In sum, the four best indicators of the likelihood of giving 2 percent or more of one's income to charity are weekly attendance at religious services, a perception of having some or a lot of discretionary income, no worry about money, and contribution of volunteer time (Table 3.20). Essentially, the survey on the charitable behavior of Americans demonstrated that involvement in church or in volunteer work were as important as perceptions about income in determining charitable behavior.

Characteristics of Volunteers

In both 1981 and 1985, the Gallup Organization was commissioned by INDEPENDENT SECTOR to conduct a national survey on volunteers—their characteristics and their reasons for volunteering. The percentage of Americans 14 years of age and older who did volunteer work annually declined slightly from 1981 to 1985 (Table 3.21). Overall, an estimated 3.6 million fewer Americans volunteered in 1985 than in 1981. In 1981, however, volunteers worked an average of 2.6 hours per week, and in 1985 they worked an average of 3.5 hours. This increase of nearly an hour per week per volunteer meant an increase of 27 percent in the total number of hours volunteered between 1981 and 1985.

Between 1981 and 1985, there was some change in the percentage of persons contributing time by major activity area (Table 3.22). The percentage of volunteers increased in religious institutions, education, social sciences, civic, social, and fraternal organizations, recreation, arts and culture organizations, and general fund-raising organizations.

Volunteers did a variety of jobs in 1985 (Table 3.23). The most common types of volunteer work were assisting the elderly, handicapped, or social welfare recipients (19 percent), fund-raising for a local organization (15 percent), and babysitting (15 percent).

Of the 24 percent of Americans that reported volunteering in the previous week in October, 42 percent of volunteers reported contributing five hours or more (Table 3.24). This group contributed 80 percent of volunteer hours for that week.

Between 1981 and 1985, volunteer participation declined most among persons from 18 to 24 years old (down 11 percentage points) and among single persons (down 19 percentage points) (Table 3.25). Volunteer participation remained steady among persons who were unemployed or employed part-time and declined among persons employed full-time. Volunteer activity increased among persons with grade school and some high school education, and declined among those with a high school diploma and college education. Persons with higher household income were more likely to volunteer than those with lower income.

The number of assignments per volunteer for the whole population 18 years and older increased from 2.2 assignments in 1981 to 2.4 in 1985 (Tables 3.26 and 3.27). The 1985 Gallup survey found that about half of Americans volunteered during the previous 12 months, 36 percent during the previous month, and nearly one-quarter in the previous week.

Americans contribute volunteer time to nonprofit, for-profit, and government organizations (Table 3.28). In 1985, nearly 80 percent of the organizations where volunteer time was contributed were nonprofit organizations. These nonprofit organizations were divided evenly between religious or religiously affiliated organizations and those with no religious affiliation. Approximately 19 percent of the organizations where persons volunteered were governmental, 13.5 percent at the local level, 1.9 percent at the state level, and 2.7 percent at the federal level. Approximately 3 percent of the organizations in which American volunteers worked were for-profit organizations. Most of these were in the areas of work-related organizations, arts and culture, and health.

In 1985, a higher percentage of volunteers reported that they worked the same number of hours—or more—as volunteers as they did a few years ago (Table 3.29). In 1981, 45 percent of volunteers said they learned about the volunteer activity they subsequently joined by being asked to participate by someone, but in 1985, the principal way people found out about the volunteer activity was through participation in an organization (45 percent) (Table 3.30).

Between 1981 and 1985, the proportion of volunteers who said that their main reason for volunteering was the desire to do something useful to help others rose from 45 percent to 52 percent (Table 3.31). Similarly, the figures for volunteers who gave this reason for remaining in volunteer activity increased from 50 percent in 1981 to 55 percent in 1985. Other main reasons for getting involved in volunteer activity in 1985 were these: had an interest in the activity or work (36 percent), enjoyed doing the work (32 percent), had a family member or friend who was involved or who would benefit from the work (26 percent), or had religious concerns (27 percent).

Volunteer activity also has a positive influence on monetary gifts to charity (Table 3.32). In the Yankelovich, Skelly and White survey of the charitable behavior of Americans in 1985, persons who volunteered gave an average of $830 to charity in 1984 compared with $510 for those who did not volunteer. In the Gallup survey in 1985, volunteers were far more likely to give to other organizations and to organizations in the area to which they contributed volunteer time than were nonvolunteers. For example, of the 15 percent of Americans who reported making a contribution to education, 23 percent of all volunteers made a contribution, 49 percent of persons who did volunteer work in education made a contribution, but only 7 percent of nonvolunteers made a contribution.

Americans strongly believe that people should volunteer to help others that are less well-off (Table 3.33). In 1984, 78 percent responded positively to the statement: "Every person should volunteer some of his time to help those who are less well-off." Through various surveys, it has been demonstrated that volunteer time has a positive influence on people's attitudes toward others, on total individual contributions, and on giving to the specific area in which the person volunteered.

Foundation Giving

Between 1981 and 1983, the total number of foundations increased by 2,294, according to the Foundation Center (Table 3.34). This increase came after a gradual drop of 568 in the number of foundations between 1979 to 1981. Much of the decline or lack of growth in the formation of new foundations has been attributed to the increased regulation and taxation of private foundations, especially following the Tax Reform Act of 1969.

Between 1975 and 1981, total assets of foundations grew by 58 percent; from 1981 to 1983, with some deregulation and an improving economy, assets grew another 67 percent. Between 1975 and 1981, total grants made by foundations increased by 95 percent. During the same period, grants as a percentage of total assets increased from approximately 6.5 percent to 8 percent, indicating that on average total foundation giving increased faster than growth in assets did. Gifts to foundations increased 67 percent between 1981 and 1982 in large part because of a $1.3 billion bequest from J. Paul Getty to the Getty Museum (an operating foundation). In 1983 gifts to foundations declined by 32 percent but were still 13 percent higher than in 1981. The payout rate declined to 6.60 percent in 1983, indicating that the decline in assets that had typified the 1970s was beginning to reverse.

There are four types of foundations: independent, operating, company-sponsored, and community (Table 3.35). Independent foundations are defined as private grant-making foundations. Operating foundations are private foundations that use their resources primarily to conduct research or provide services. Whatever grants they make are used to directly support the foundation's programs. Both independent and operating foundations tend to rely on endowment income, usually provided by a single person or family. Company-sponsored foundations are private foundations separately instituted by corporations, which provide endowments, annual contributions, or both. Community foundations that rely on contributions from several donors are defined as public charities. Of the 24,261 grant-making foundations in operation in 1983, approximately 96 percent were independent grant-making foundations; 3 percent were independent, operating, and company-sponsored foundations; and 1 percent were community foundations.

Independent, operating, and company-sponsored foundations, which qualify for maximum tax-deductible gifts, have been subject to restrictive regulations since the Tax Reform Act of 1969. One such regulation subjected foundations to a 4 percent excise tax on net investment income; Congress reduced the tax to 2 percent in 1978 and to 1 percent in 1984. Another restriction of the 1969 Act imposed an annual payout requirement on foundations of 5 percent of adjusted net income or a variable percentage of the market value of assets, whichever was higher. The Tax Reform Act of 1976 revised this provision to require an annual payout of 5 percent of the market value of assets or net income, whichever was higher. The 1981 Economic Recovery Tax Act revised it again to require a payout of 5 percent of the market value of assets.

Because of these changes in the law and improvements in the economy, both the asset performance and the number of gifts received have improved for the large foundations in recent years (Table 3.36). The Foundation Center found that independent foundations fared worse than other types of foundations as a result of the strict regulatory requirements of the 1970s and an inflationary era. Since 1981, however, independent foundations have fared better.

Between 1975 and 1983, the number of foundations qualifying for listing in *The Foundation Directory* (assets of $1 million or more than $100,000 in grants in the most recent year of record) increased 56 percent, from 2,818 to 4,402 (Table 3.37). Independent foundations accounted for about 79 percent of all foundations qualifying for this *Directory* and held 84 percent of the assets. Company-sponsored foundations were among the growing new group of private foundations, although community foundations qualifying for the *Directory* grew fastest (up 86 percent). The foundations listed in the 10th edition of *The Foundation Directory* made up only 19 percent of all foundations, but they held 97 percent of total assets and gave 87 percent of total grants in 1983.

Of the 4,402 foundations qualifying for the 10th edition of *The Foundation Directory*, 56 percent were formed between 1950 and 1969 (Tables 3.38 and 3.39). Of the 88 largest foundations (those with assets of at least $75 million) in 1982, 42 (48 percent) were also among the largest in 1960 (those with assets of at least $25 million). Of the original 64 largest foundations in 1960, 17 were not among the largest in 1982, and five had been terminated (Tables 3.40 and 3.41).

Foundation funding patterns changed somewhat between 1980 to 1984. Foundation funding of education as a proportion of total grants declined the most, and there was some decline in the funding of health services (Table 3.42). By contrast, foundation funding for social science research and welfare programs increased. The largest decline in foundation funding among recipients from 1982 to 1984 was among private colleges and universities (down from 23 percent of total dollars in grants in 1982 to 17 percent in 1984) (Table 3.43).

Foundation funding by type of support also changed between 1982 to 1984 (Table 3.44). Funds for continuing support, program development, general operating funds, and research increased as a proportion of total grants, while funding for capital support, endowments, fellowships and scholarships, and matching or challenge grants declined.

Some of these changes in foundation funding were probably due to federal cutbacks. In many areas, there was a need to provide more continuing and general operating support to organizations to offset a loss in federal funds. Between 1981 and 1984, foundations continued to increase their funding to special populations—children and youths, women and girls, and blacks (Table 3.45).

Corporate Contributions

Corporate contributions have become an important source of funding for nonprofit institutions over the years (Table 3.46). Corporate contributions grew from $415 million in 1955 to an estimated $3.8 billion in 1984. Corporate contributions as a percentage of net corporate income before taxes have varied with the economy, ranging from 0.84 percent in 1955 to 1.61 percent in 1984.

Corporate contributions are made either directly or through company-sponsored foundations. Although there is no reliable estimate of the exact number of company-sponsored foundations, the Foundation Center listed 723 company-sponsored foundations in the 10th edition of *The Foundation Directory* in 1983. These foundations held 16 percent of the total assets of foundations in the *Directory,* and gave out approximately 20 percent of the total grants in that year (Table 3.37, presented earlier).

In the last such study done on all corporations that reported to the Internal Revenue Service, it was found that of the 1.4 million corporations reporting net income in 1977, 65 percent did not report any contributions to charity (Table 3.47). However, 4 percent (approximately 59,000 corporations) gave 5 percent or more of their net income before taxes in 1977, and another 5 percent (71,000 corporations) gave between 2 and 5 percent.

Corporate contributions may well be understated. Many corporations deduct contributions as business expenses rather than reporting them as charitable contributions. For the past few years, the Conference Board has conducted a survey of corporate assistance expenditures or contributions that are not taken as charitable contributions. In 1984, 259 companies provided $296 million that were not reported as contributions—for loan of company personnel, donation of products and property, use of corporate facilities and services, and administrative costs (Table 3.48). These large amounts of money from a small sample of the larger corporations lend credence to the idea that a substantial amount of corporate contributions from the 2 million active corporations are not reported as charitable contributions, and, therefore, total corporate contributions (or those contributions that are reported on the tax form) are understated.

A 1977 analysis of the data on corporate tax returns from the Internal Revenue Service showed that out of 2.2 million corporations, only 525,000 (23.4 percent) reported charitable contributions on their returns (Table 3.49). Although many corporations are quite small, it is estimated that many smaller corporations report contributions as business expenses. A 1982 national survey conducted by Yankelovich, Skelly and White, Inc., showed that even among larger corporations, 38 percent acknowledged that some of their contributions were reported as business expenditures (Table 3.50). This survey confirmed that total contributions from corporations are understated.

Corporations give heavily to education, health and human services, arts and culture, and civic and community services (Table 3.51). In 1984, the distribution of total corporate contributions among the Conference Board survey respondents was as follows: education (39 percent); health services (28 percent); civic and community activities (19 percent); arts and culture (11 percent); and other (3 percent). An earlier survey conducted by Yankelovich, Skelly and White, Inc., also found that corporations of varying sizes give different proportional shares of their contributions to various activities (Table 3.52). Fortune 1300 companies gave a higher proportion of their contributions to education (56 percent) than smaller companies did (47 percent). Conversely, smaller companies made a higher proportion of their contributions to health services (22 percent) than did the Fortune 1300 companies (10 percent).

From 1982 to 1984, the proportion of total corporate contributions going to education, health, and arts and cultural organizations declined slightly, whereas corporate contributions to civic and community activities increased (Table 3.53).

Corporations also give through company-sponsored foundations (Table 3.54). In 1983, the three company-sponsored foundations that awarded the most dollars in grants were the Atlantic Richfield Foundation, the General Motors Foundation, and the Exxon Education Foundation.

The degree and level of corporate commitment to corporate contributions vary with the chief executive officer (CEO). In a national survey on corporate philanthropy conducted in 1982 for the Council on Foundations, Yankelovich, Skelly and White, Inc., found that in 81 percent of the companies surveyed the CEO greatly influenced the level of cash gifts by the corporation (Table 3.55). The CEO also was influential in the selection of recipients, but the influence was much stronger in smaller companies than in Fortune 1300 companies, where corporate contributions staff also strongly influenced the selection of recipients (Table 3.56). The CEO's degree of community involvement (Table 3.57) and own personal giving behavior also strongly influenced the level of cash giving from the corporation.

The major sources of private contributions are gifts from individuals, foundations, and corporations. During the 1980s, gifts from individuals and foundations have averaged 11 percent growth annually. Corporate giving has grown, but because of the recent recession, the rate of corporate giving has not grown as fast as it did in the 1970s. Current trends suggest that private giving from all these sources will continue to grow in future years, especially if the economy remains strong.

References—Chapter Three

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TABLE 3.1
TOTAL GIVING: PRIVATE CONTRIBUTIONS COMPARED WITH CURRENT OPERATING EXPENDITURES FOR ALL NONPROFIT ORGANIZATIONS, NATIONAL INCOME, AND POPULATION, 1984-1955

Year	Private contributions[a]	Current operating expenditures[b]	National income[c]	Population (midyear)[d]	Contributions as a percentage of		Per capita contributions[e] column (1) divided by column (4)	
	($ billions) (1)	($ billions) (2)	($ billions) (3)	($ millions) (4)	Expenditures (5)	National Income (6)	Current dollars (7)	Constant (1972) dollars (8)
1984	$73.30	$224.0	$3,039.3	$236.7	32.7%	2.41%	$310	$119
1983	64.96	208.4	2,718.3	234.5	31.2	2.39	277	112
1982[f]	60.07	181.4	2,446.8	232.4	33.1	2.46	258	113
1982	58.77	181.4	2,446.8	232.4	32.4	2.40	253	111
1981	55.88	162.2	2,363.8	230.1	34.5	2.36	243	118
1980	49.08	143.1	2,116.6	227.7	34.3	2.32	216	116
1979	43.69	125.6	1,966.7	225.1	34.8	2.22	194	116
1978	38.95	11.8	1,760.3	222.6	34.8	2.21	175	113
1977	36.34	99.3	1,550.5	220.3	36.6	2.34	165	114
1976	32.06	91.5	1,379.2	218.1	35.0	2.32	147	109
1975	28.61	83.6	1,239.4	216.0	34.2	2.31	132	106
1974	26.98	75.1	1,160.7	213.9	35.9	2.32	126	108
1973	25.70	67.8	1,086.2	211.9	37.9	2.37	121	113
1972	24.48	61.8	963.6	209.9	39.6	2.54	117	117
1971	23.44	56.0	871.5	207.7	41.9	2.69	113	120
1970	21.02	50.5	810.7	205.1	41.6	2.59	102	117
1969	20.79	45.5	779.3	202.7	45.7	2.67	103	130
1968	18.95	39.8	722.5	200.7	48.0	2.62	94	130
1967	17.04	34.9	662.5	198.8	48.8	2.57	86	126
1966	15.80	31.1	628.1	196.6	50.8	2.52	80	125
1965	14.75	27.6	572.4	194.3	53.4	2.58	76	123
1964	13.70	25.3	524.9	191.9	54.2	2.61	71	121
1963	13.21	23.1	488.5	189.3	57.2	2.70	70	123
1962	11.88	21.3	462.0	186.6	55.8	2.57	64	117
1961	11.36	19.5	428.8	183.7	58.3	2.65	62	118
1960	10.92	18.2	415.7	180.8	60.0	2.63	60	120
1959	10.37	16.0	400.8	177.1	64.8	2.59	59	120
1958	9.50	14.4	366.9	174.1	66.0	2.59	55	119
1957	9.26	13.1	365.2	171.3	70.7	2.54	54	120
1956	8.33	11.8	349.4	168.2	70.6	2.38	50	117
1955	7.70	10.9	330.5	165.3	70.6	2.33	47	114

[a] Private donor contributions to all sectors of the economy, for example, to state universities. American Association of Fund-Raising Counsel, Inc., *Giving USA: Annual Report 1986*, forthcoming, New York, 1986.

[b] Expenditures approximate 90% of those incurred in the independent sector according to a study by Rudney and Weitzman, "Significance of Employment and Earnings Trends in the Philanthropic Sector, 1972-1982," *Working Paper 77*, Program on Non-Profit Organizations, Yale University, 1983.

Expenditures are based on estimates of compensation of employees in the Bureau of Economic Analysis category of households and institutions, which approximates the private, nonprofit sector. Compensation of employees was estimated at 55 percent of all expenses. This proportion is consistent with the estimate employed by Hiestand, "Recent Trends in the Not-for-Profit Sector," in *Research Papers*, vol. I, sponsored by the Commission on Philanthropy and Public Needs, 1977. Estimates on compensation of employees in nonprofit institutions in current and constant dollars are generally published in the *Survey of Current Business*, July issues, Table 1.5—Gross National Product by Sector.

[c] U.S. Department of Commerce, Bureau of Economic Analysis, *Survey of Current Business*, July 1985 issue, Table 1.11, p.9. Figures for 1983 and 1984 overall national income and that for nonprofit institutions used to estimate current operating expenditures are revised estimates of the Bureau of Economic Analysis. For earlier years, figures are based on previous estimates of the Bureau of Economic Analysis. Therefore, the series are not precisely comparable over the entire time period.

[d] Includes armed forces overseas. Estimates are from the Bureau of the Census and are published annually in the *Economic Report of the President*. See 1985 report, Table B-24, p. 261.

[e] *Survey of Current Business*, July issues, Table 7.4. Implicit price of deflators (1972 = 100) are not available for nonprofit institutions for the years 1955 through 1977. The implicit price deflator is assumed to be 1.4 less than the corresponding index for households and institutions.

[f] This figure includes a bequest of $1.3 billion from J. Paul Getty to the Getty Museum.

▶ The relationship between contributions to operating expenditures has steadily declined from approximately 71 percent in 1955 to 33 percent in 1984.

▶ From 1955 to 1963, total contributions as a percentage of national income grew from 2.33 to 2.70 percent. After declining slightly during the 1960s, they rose to 2.69 percent in 1971. After 1972 contributions as a percentage of national income declined to a low point of 2.21 percent in 1978, after which they rose again to 2.41 percent in 1984.

▶ Even though per capita contributions increased almost sevenfold in current dollars from 1955 to 1984, the increase in contributions in constant dollars was only 5 percent—from $114 in 1955 to $119 in 1984. Per capita contributions peaked at $130 in 1968 and declined to a low of $109 in 1976. Since 1977, per capita contributions have grown fairly steadily to 1984, except for 1982, which was a recession year.

TABLE 3.2

TOTAL GIVING: PRIVATE CONTRIBUTIONS TO ALL SECTORS OF THE ECONOMY BY SOURCE, 1984-1955

			Contributions									
	Total		Gifts by living persons		Personal bequests		Gifts by foundations		Gifts by corporations		Individuals: per capita contribution	
Year	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Current dollars	Constant (1972) dollars
1984	$73.3	100.0%	$60.7	82.8%	$4.9	6.7%	$3.9	5.3%	$3.8[c]	5.2%	$256	$99
1983	64.9	100.0	53.5	82.4	4.5	6.9	3.6	5.6	3.3	5.1	228	92
1982[a]	60.1	100.0	48.5	80.7	5.5	9.2	3.2	5.3	2.9	4.8	209	91
1982[b]	58.8	100.0	48.5	82.5	4.2	7.1	3.2	5.4	2.9	4.9	209	91
1981	55.5	100.0	46.4	83.6	3.5	6.3	3.1	5.6	2.5	4.5	203	98
1980	48.8	100.0	40.7	83.4	2.9	5.9	2.8	5.7	2.4	4.9	179	96
1979	43.7	100.0	36.6	83.7	2.2	5.1	2.4	5.5	2.3	5.2	163	96
1978	39.0	100.0	32.1	82.4	2.6	6.7	2.2	5.6	2.1	5.4	144	92
1977	36.3	100.0	29.6	81.3	3.0	8.2	2.0	5.5	1.8	5.0	134	92
1976	32.1	100.0	26.3	82.1	2.4	7.4	1.9	5.9	1.5	4.7	121	89
1975	28.6	100.0	23.5	82.2	2.2	7.8	1.7	5.8	1.2	4.2	109	87
1974	27.0	100.0	21.6	80.1	2.1	7.7	2.1	7.8	1.2	4.4	101	87
1973	25.7	100.0	20.5	79.9	2.0	7.8	2.0	7.8	1.2	4.6	97	91
1972	24.5	100.0	19.4	79.1	2.1	8.6	2.0	8.2	1.0	4.1	92	92
1971	23.4	100.0	17.6	75.2	3.0	12.8	2.0	8.3	0.9	3.7	85	90
1970	21.0	100.0	16.2	77.0	2.1	10.1	1.9	9.0	0.8	3.8	79	90
1969	20.8	100.0	15.9	76.6	2.0	9.6	1.8	8.7	1.1	5.3	79	99
1968	19.0	100.0	14.8	77.8	1.6	8.4	1.6	8.4	1.0	5.3	73	101
1967	17.0	100.0	13.4	78.7	1.4	8.2	1.4	8.2	0.8	4.9	67	99
1966	15.8	100.0	12.4	78.7	1.3	8.3	1.3	7.9	0.8	5.1	63	99
1965	14.8	100.0	11.8	80.1	1.0	6.9	1.1	7.7	0.8	5.4	61	99
1964	13.7	100.0	11.2	81.7	1.0	6.9	0.8	6.1	0.7	5.3	58	98
1963	13.2	100.0	10.9	82.2	0.9	6.7	0.8	6.2	0.7	5.0	57	99
1962	11.9	100.0	9.9	83.2	0.7	5.9	0.7	5.9	0.6	5.1	53	95
1961	11.4	100.0	9.5	83.6	0.7	5.7	0.7	6.2	0.4	3.6	52	98
1960	10.9	100.0	9.2	83.9	0.6	5.2	0.7	6.5	0.5	4.4	51	100
1959	10.4	100.0	8.7	83.7	0.5	4.9	0.7	6.8	0.5	4.6	49	100
1958	9.5	100.0	8.2	85.8	0.5	4.7	0.5	5.3	0.4	4.2	47	102
1957	9.3	100.0	7.9	85.2	0.5	4.9	0.5	5.4	0.4	4.5	46	105
1956	8.3	100.0	7.3	88.0	0.2	2.9	0.3	3.6	0.4	5.0	44	103
1955	7.7	100.0	6.8	87.7	0.2	3.1	0.3	3.9	0.4	5.5	41	100

Sources: American Association of Fund-Raising Counsel, Inc. *Giving USA: Annual Report 1986*, forthcoming, New York, 1986, and the U.S. Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

[a] Includes a bequest of $1.3 billion from J. Paul Getty to the Getty Museum.

[b] Excludes Getty bequest.

[c] Total estimates in this table are slightly different than those shown in either Table 3.1 or 3.3 for the years 1980-1982. Table 3.2 incorporates revisions for giving by corporations not shown in Tables 3.1 and 3.3.

▶ Charitable contributions from living persons and personal bequests have remained fairly steady as a proportion of total giving; they accounted for 91 percent of all giving in 1955 and 89.5 percent in 1984. The proportion of contributions from living individuals compared with bequests has varied over the years, probably because of changes in tax laws.

▶ The proportion of foundation giving grew steadily from 3.1 percent in 1955 to a high of 9.0 percent in 1970. During the 1970s, as a result of changes in the tax laws and inflation, foundation giving declined steadily to a low of 5.3 percent in 1982. It rose to 5.6 percent in 1983, and then declined again to 5.3 percent in 1984.

▶ Corporate giving as a proportion of total giving fluctuated throughout the 1955-1984 period, usually reflecting the general state of the economy. Although generally corporate giving represents between four and five percent of total giving, it peaked at 5.5 percent in 1955 and hit a low point of 3.6 percent in 1961. Similar low points occurred in 1971 and 1972, after which corporate contributions as a proportion of total giving climbed steadily to 5.4 percent in 1978. It then declined slightly to 5.2 percent in 1984.

TABLE 3.3

TOTAL GIVING: TOTAL AND INDIVIDUAL PRIVATE CONTRIBUTIONS TO ALL SECTORS OF THE ECONOMY COMPARED WITH PERSONAL INCOME AND POPULATION, 1984-1955

Year	Private contributions		Per capita individual contributions[a]		Personal income[b]	Individual contributions as a percentage of personal income
	Total ($ billions) (1)	Individual ($ billions) (2)	Current dollars (3)	Constant dollars (1972) (4)	($ billions) (5)	Column (2) divided by column (5) (6)
1984	$73.3	$60.7	$256	$ 99	$3,111.9	1.96%
1983	64.9	53.5	228	92	2,836.4	1.89
1982	60.1	48.5	209	91	2,584.6	1.88
1981	55.9	46.4	202	98	2,429.5	1.91
1980	49.1	40.7	179	96	2,165.3	1.88
1979	43.7	36.6	163	96	1,951.2	1.88
1978	39.0	32.1	144	92	1,732.7	1.85
1977	36.3	29.6	134	92	1,540.4	1.92
1976	32.1	26.3	121	89	1,391.2	1.89
1975	28.6	23.5	109	87	1,265.0	1.86
1974	27.0	21.6	101	87	1,168.6	1.85
1973	25.7	20.5	97	91	1,065.2	1.93
1972	24.5	19.4	92	92	951.4	2.04
1971	23.4	17.6	85	90	868.4	2.03
1970	21.0	16.2	79	90	811.1	2.00
1969	20.8	15.9	79	99	754.7	2.11
1968	19.0	14.8	73	101	690.6	2.14
1967	17.0	13.4	67	99	630.0	2.13
1966	15.8	12.4	63	99	588.2	2.11
1965	14.8	11.8	61	99	540.7	2.19
1964	13.7	11.2	58	98	499.2	2.24
1963	13.2	10.9	57	99	466.2	2.33
1962	11.9	9.9	53	95	443.6	2.23
1961	11.4	9.5	52	98	417.8	2.27
1960	10.9	9.2	51	100	402.3	2.28
1959	10.4	8.7	49	100	384.4	2.26
1958	9.5	8.2	47	102	361.1	2.26
1957	9.3	7.9	46	105	351.0	2.25
1956	8.3	7.3	44	103	332.6	2.20
1955	7.7	6.8	41	100	310.3	2.48

Sources: See Table 3.2.

[a] Per capita contributions by individuals are based on estimates in Table 3.1, columns (7) and (8), multiplied by the annual percentages for contributions made by individuals in Table 3.2.

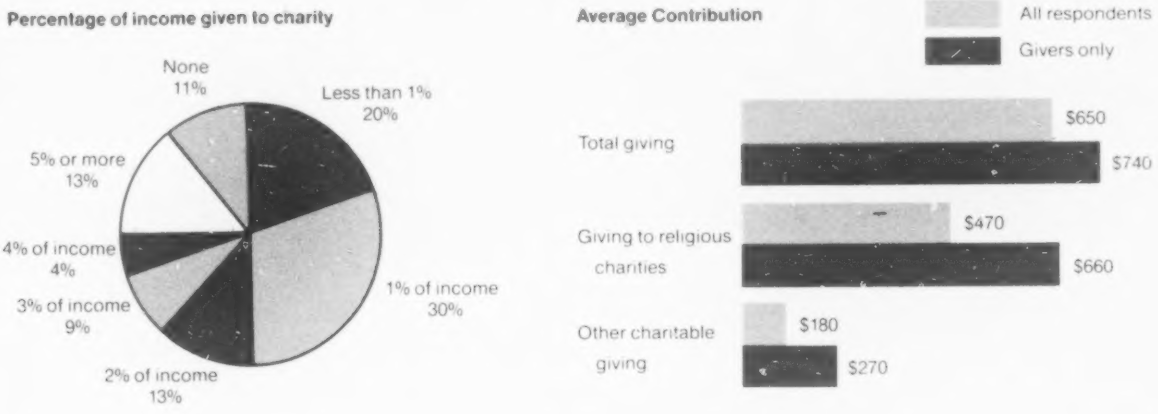
[b] *Survey of Current Business,* July issues. Personal income estimates for 1983 and 1984 are based on revisions of the Bureau of Economic Analysis, *Survey of Current Business,* February 1986, Table 6, p.24. Earlier years are based on previous estimates of the Bureau of Economic Analysis and therefore are not consistent with those for 1983 and 1984.

▶ Although per capita individual giving in current dollars has increased steadily since 1955, the picture in constant dollars is quite different. A high point in constant 1972 dollars was $105 in 1957. After remaining relatively steady until 1969, per capita contributions declined in constant dollars to a low point of $87 in 1974-75. In 1976, giving in constant dollars started to increase steadily. By 1984, per capita giving in constant dollars was $99; that is, back to where it had been in the 1950s.

▶ Individual giving as a percentage of personal income has shown some variation through the period. During the 1950s and 1960s, it fell from a high of 2.48 percent in 1955 to a low of 1.85 in 1974 and 1978. In 1978, this trend started to reverse and by 1984, individual giving had reached 1.96 percent of personal income.

TABLE 3.4

INDIVIDUAL GIVING: DISTRIBUTION OF CHARITABLE CONTRIBUTIONS, 1984



Size of contributions	Total giving all respondents			Givers only, both sexes	Giving to religious charities, all respondents			Givers only, both sexes	Other charitable giving, all respondents			Givers only, both sexes
	Both sexes	Male	Female		Both sexes	Male	Female		Both sexes	Male	Female	
None	11%	12%	11%	-	28%	29%	27%	-	31%	30%	31%	-
$1-$50	11	8	15	13%	9	14	27	13%	23	17	29	33%
$51-$100	11	8	14	12	11			15	13	15	12	20
$101-$250	18	17	19	20	14	15	14	20	16	17	16	23
$251-$500	18	19	17	20	17	18	15	23	11	13	8	16
$501-$1,000	13	14	10	14	10	11	8	14	4	5	3	5
$1,001-$2,000	10	11	9	11	7	13	9	9	2	3	1	3
$2,000+	8	11	5	10	4			6				
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Sources: Yankelovich, Skelly and White, Inc., *The Charitable Behavior of Americans*, a national survey commissioned by the Rockefeller Brothers Fund (subsequently referred to as The Yankelovich et al. survey), and findings prepared by INDEPENDENT SECTOR, 1986.

Note: The figures here and in subsequent tables based on *The Charitable Behavior of Americans* have been adjusted to exclude those respondents who either reported giving, but did not report a specific amount or did not respond at all. All remaining tables reflect these adjustments.

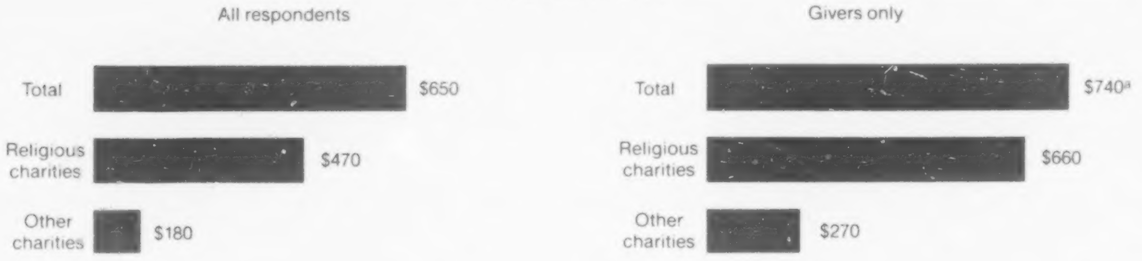
Dash = Not applicable.

▶ In 1984, Americans gave an average of $650 to charity, of which $470 went to religious charities and $180 went to all other charities. More than one-quarter of Americans gave 3 percent or more of their incomes to charity, while one-half of Americans gave 1 percent or less of their income to charity. A total of 18 percent of Americans gave $1,000 or more to charity in 1984.

TABLE 3.5

INDIVIDUAL GIVING: COMPARISONS OF AVERAGE CONTRIBUTIONS FOR ALL AMERICANS AND GIVERS ONLY, 1984

Average contributions



All respondents	All income groups	Under $10,000	$10,000-$19,999	$20,000-$29,999	$30,000-$39,999	$40,000 $49,999	$50,000+
		Income class					
Total giving	$650	$170	$340	$520	$820	$1,060	$1,940
Religious[a]	470	130	280	400	620	760	1,190
Other charitable	180	30	60	120	210	310	770
Ratio (religious : other)	2.6:1	4.3:1	4.7:1	3.3:1	3.0:1	2.5:1	1.5:1
Givers Only							
Total	740	NA	NA	NA	NA	NA	NA
Religious	660	240	430	530	800	950	1,370
Other charitable	270	80	100	150	250	350	830
Ratio (religious : other)	2.4:1	3.0:1	4.3:1	3.5:1	3.2:1	2.7:1	1.7:1
Religious charities							
Givers only	660	240	430	530	800	950	1,370
All respondents	470	130	280	400	620	760	1,190
Difference (%)	40.4%	84.6%	53.6%	32.5%	29.0%	25.0%	19.0%
Other charities							
Givers only	270	80	100	150	250	350	830
All respondents	180	30	60	120	210	310	770
Percent difference	50.0%	166.7%	66.7%	25.0%	19.1%	12.9%	7.8%
Percentage of respondents who gave:							
Nothing to any charity	11%	NA	NA	NA	NA	NA	NA
Nothing to religious groups	28%	45%	34%	24%	22%	20%	13%
Nothing to other charities	31%	58%	40%	23%	16%	11%	7%

Sources: See Table 3.4.

NA = Not available.

[a] Indicates average total amount contributed to the types of charities. Because some persons give to only one type of charity, the total does not equal the sum of its parts.

▶ On average in 1984, Americans gave 2.6 times more to religious charities than they did to other charities. This ratio between religious giving and giving to other charities is highest among persons with household incomes under $20,000 (4.7 to 1). This ratio declines as income increases. Persons with household incomes of $50,000 or more give 0.5 times more to religion than they do to other charities.

▶ Since a higher percentage of persons with low incomes gave nothing at all to charity, there is a greater discrepancy between the average contribution for all persons at an income level and givers only. Because nearly half of all persons with household incomes gave nothing at all to religious organizations, the difference of 85 percent in average gifts for the whole population and givers only is substantially higher than for any other other income group. The difference also shows that people who do give at lower income levels tend to be generous givers. Because the proportion of persons who give increases with income, the discrepancy between the mean contribution for the whole population by income level and for givers only declines as household income increases. For example, 93 percent of persons with household incomes larger than $50,000 reported contributing to charities other than religious ones in 1984. The discrepancy between the average contribution for the whole population ($770) and givers only ($830) is only 8 percent.

TABLE 3.6
INDIVIDUAL GIVING: TOTAL CONTRIBUTIONS AND DISTRIBUTION OF TOTAL GIVING BY HOUSEHOLD GROSS INCOME, 1984

Total individual contributions: $58,609,000,000[a]
Total number of households: 86,789,000

Gross income	Percentage distribution of giving[b]	Percentage distribution of households[c]	Share of income given per household	Average contribution by income class
Under $10,000[d]	5.3%	21.2%	0.3%	$170
$10,000-$19,999	11.9	23.5	0.5	340
$20,000-$29,999	15.1	19.6	0.8	520
$30,000-$39,999	16.9	13.9	1.2	820
$40,000-$49,999	14.1	9.0	1.6	1,060
$50,000+	36.7	12.8	2.9	1,940
	100.0%	100.0%		
Proportion of population				
$50,000+ gross income				
Giving less than 3.00%	13.8 (37.6)	7.0 (54.7)	2.0	
Giving 3.00 to 4.99%	11.6 (31.6)	3.6 (28.1)	3.2	
Giving 5.00% or more	11.3 (30.8)	2.2 (17.2)	5.1	
	36.7 (100.0)	12.8 (100.0)		

Sources: See Table 3.4.

[a] The total estimate of individual contributions is derived by multiplying average contributions for each income class from the Yankelovich et al. survey by the number of households from the *Current Population Survey* and summing the results. The average contribution for all households ranges from $654 (using the Yankelovich et al. estimates) to $675 (using Census data). In aggregate dollars, individual contributions range from $56,760 million to $58,609 million. By comparison, working from a totally different methodology, the American Association of Fund-Raising Counsel, Inc., *Giving USA*, 1985, p. 42, reported individual contributions for 1984 at $61,550 million.

[b] Estimates are from The Yankelovich et al. survey, with findings prepared by Hodgkinson and Weitzman, Independent Sector: *The Charitable Behavior of Americans* (Washington, D.C.: 1986, Table 1.1, p.5).

[c] U.S. Department of Commerce, Bureau of the Census, *Current Population Reports*, Series P-60, No. 149, "Money Income and Poverty Status of Families and Persons in the United States: 1984" (advance data from the March 1985 *Current Population Survey*), Table 13, p. 19. The households as of March 1985 are distributed by income class by their 1984 before-tax income.

[d] Includes households with losses.

- ► The proportion of total giving increases with household income. Persons reporting household incomes under $10,000 represented 21 percent of the total households and gave 5 percent of total contributions.
- ► Persons with household incomes over $50,000 accounted for 13 percent of the total households and gave 37 percent of total contributions.
- ► The majority of total giving (63 percent) comes from persons with household incomes under $50,000 representing 87 percent of total households.
- ► Breaking out the population reporting $50,000 or more in household income reveals that 45 percent of this group gave 3 percent or more to charity.

TABLE 3.7

INDIVIDUAL GIVING: AVERAGE CONTRIBUTIONS OF INDIVIDUALS TO RELIGIOUS AND OTHER CHARITIES, 1984

Demographic characteristics of respondents	Donations to charities			Percentage of income donated to charities			Average income
	Total	Religious	Other	Total	Religious	Other	
All	**$650[a]**	**$470**	**$180**	**2.4%**	**1.7%**	**0.7%**	**$27,300**
Age							
Under 30	$380	$290	$80	1.6%	1.2%	0.3%	23,300
30-34	500	350	150	1.7	1.2	0.5	29,000
35-49	910	660	260	2.6	1.9	0.7	35,400
50-64	880	570	300	3.0	2.0	1.0	29,100
65+	400	340	70	2.7	2.3	0.5	14,900
Sex							
Male	790	550	230	2.5	1.8	0.7	31,100
Female	520	390	140	2.2	1.7	0.6	23,400
Race							
White	690	500	200	2.5	1.8	0.7	28,200
Black and other races	460	320	130	2.1	1.5	0.6	21,500
Religion							
Catholic	450	320	140	1.6	1.2	0.5	27,500
Protestant	770	580	180	2.9	2.2	0.7	26,400
Baptist	540	450	90	2.4	2.0	0.4	22,200
Methodist	610	450	170	2.3	1.7	0.7	26,300
Lutheran	710	500	190	2.4	1.7	0.6	29,600
Presbyterian-Episcopalian (Combined)	1,290	790	500	3.7	2.2	1.4	35,300
Education							
Less than high school	340	290	50	2.0	1.7	0.3	16,900
High school graduate	430	340	100	1.9	1.5	0.4	22,700
Some college	600	450	160	2.3	1.7	0.6	26,300
College graduate—two and four year degrees	1,010	690	350	2.7	1.8	0.9	37,700
Postgraduate	1,220	760	480	3.0	1.9	1.2	41,000
Occupation							
Professional/business manager	1,030	710	350	2.5	1.7	0.9	40,800
Professional	1,040	730	340	2.6	1.8	0.9	40,100
Business manager	1,030	660	370	2.4	1.6	0.9	42,400
Clerical and sales/service workers	570	420	150	2.1	1.6	0.6	27,100
Clerical and sales	530	370	160	1.9	1.4	0.6	27,400
Service workers	650	520	130	2.4	2.0	0.5	26,600
Skilled workers	650	520	130	2.3	1.8	0.5	28,400
Unskilled worker/farmer/other	390	300	80	2.0	1.5	0.4	20,000
Housewife	490	390	100	2.2	1.8	0.5	22,100
Retired	500	380	120	3.0	2.3	0.7	16,500
Unemployed/student/disabled	310	160	150	2.0	1.1	1.0	15,300

Sources: See Table 3.4.

Note: The figure includes respondents who indicated they gave nothing to charity, but excludes those who reported "not sure" or "no answer" to particular questions.

[a] Numbers and percentages may not add because of rounding.

▶ Americans gave an average of $650 to charity in 1984 which represented 2.4 percent of household income.

▶ Giving behavior varies by demographic characteristics of age, sex, race, religion, education and occupation. The most generous givers are between 35 and 64 years of age or are retired, are Presbyterian or Episcopalian, have postgraduate education, are in professional or managerial positions and, generally, have higher household incomes. The least generous givers are under 30 years of age, have less than a high school education, and are in clerical or sales work.

▶ Although retired persons and persons over 65 years of age have lower average household incomes, they are among the most generous givers by percentage of income given. They give on average between 2.7 and 3.0 percent of their total incomes to charity, compared with 2.4 percent for the average household.

TABLE 3.8

INDIVIDUAL GIVING: AVERAGE CONTRIBUTIONS OF INDIVIDUALS TO RELIGIOUS AND OTHER CHARITIES BY MARITAL STATUS, HOUSEHOLD SIZE, CHILDREN IN HOUSEHOLD, AND HOUSEHOLD INCOME, 1984

Demographic characterstics of respondents	Donations to charities			Percentage of income donations to charity			Average income
	Total	Religious	Other	Total	Religious	Other	
All	**$650[a]**	**$470**	**$180**	**2.4%**	**1.7%**	**0.7%**	**$27,300**
Marital status							
Married	840	610	230	2.6	1.9	0.7	32,300
Single	310	190	120	1.4	0.8	0.5	22,900
Divorced/separated	400	250	160	2.1	1.3	0.8	19,800
Widowed	430	360	80	3.1	2.6	0.6	19,300
Male							
Married	970	710	250	2.9	2.1	0.7	33,800
Single	350	210	140	1.4	0.9	0.6	24,300
Divorced/separated/or widowed	550	260	280	2.1	1.0	1.1	26,000
Female							
Married	670	500	190	2.2	1.7	0.6	30,300
Single	240	150	90	1.2	0.7	0.4	20,400
Divorced/separated	330	240	90	2.1	1.5	0.6	16,100
Widowed	430	390	60	3.4	3.1	0.5	12,600
Household size							
One person	400	270	130	2.1	1.4	0.7	18,700
Two persons	680	500	180	2.6	1.9	0.7	26,700
Three persons	710	480	230	2.3	1.6	0.8	30,800
Four persons	750	530	230	2.2	1.6	0.7	34,300
Five persons	830	650	190	2.5	2.0	0.6	32,900
Six or more persons	940	790	140	3.1	2.6	0.5	29,900
Children under age 18 in household							
One	690	440	250	2.2	1.4	0.8	31,400
Two	650	480	160	2.0	1.5	0.5	33,100
Three or more	900	740	170	3.0	2.5	0.6	30,000
Household income							
Under $10,000	170	130	30	3.0	2.3	0.5	5,700
$10,000-$19,999	340	280	60	2.3	1.9	0.4	14,700
$20,000-$29,999	520	400	120	2.1	1.6	0.5	25,400
$30,000-$39,999	820	620	210	2.3	1.8	0.6	35,500
$40,000-$49,999	1,060	760	310	2.4	1.7	0.7	44,700
$50,000+	1,940	1,190	770	2.9	1.8	1.2	66,700
Under $20,000	270	220	50	2.2	1.8	0.4	12,200
$20,000-$39,999	630	480	150	2.2	1.7	0.5	29,000
$40,000+	1,540	990	560	2.7	1.8	1.0	56,500

Sources: See Table 3.4.

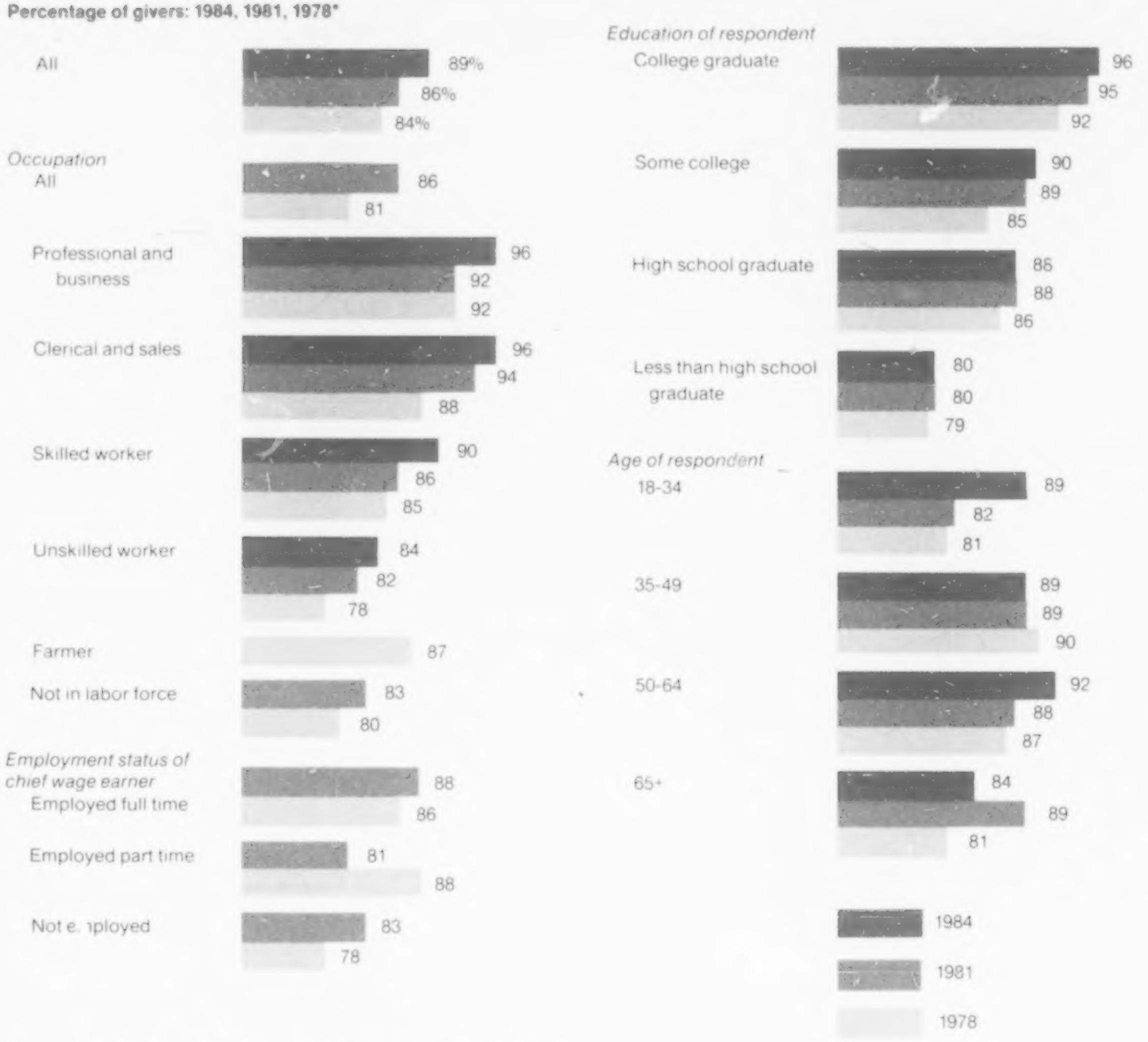
Note: Includes respondents who indicated they gave nothing to charity, but excludes those who reported "not sure" or "no answer" to particular questions.

[a] Numbers and percentages may not add due to rounding.

▶ Giving behavior varies by marital status, size of household, number of children, and household income. The most generous givers are married men, widowed persons, people in large families, and persons who have three or more children under 18 years of age in the family.

▶ The percentage of household income given to charity generally increases with income, although persons with incomes between $20,000 and $29,000 tend to give a smaller proportion to charity than all other income groups.

TABLE 3.9
INDIVIDUAL GIVING: PERCENTAGE OF GIVERS BY
OCCUPATION, EMPLOYMENT STATUS, AND EDUCATION



Sources: See Table 3.4, and The Gallup Organization, Inc., *Patterns of Giving by Individuals,* 1979 and 1982.

*1981 and 1978 refer to occupation of the chief wage earner in household, while 1984 represents occupation of respondent.

▶ In 1978, 84 percent of all adult Americans reported contributing to some charity.

Giving is pervasive among Americans. More than 80 percent of Americans reported giving to charity regardless of their education, their occupation, or their employment status.

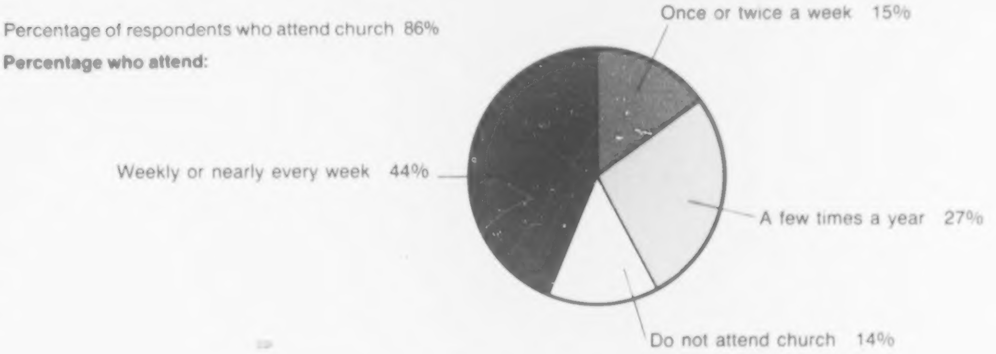
▶ More than 95 percent of persons who were in professional, business, or clerical, or sales occupations contributed to charity in 1984, up from 92 percent in 1978.

▶ More than 95 percent of persons who have graduated from college contributed to charity in 1984, compared with 92 percent in 1978.

▶ Although the percentage of persons who give to charity increased or remained steady in most age groups from 1978 to 1984, it declined slightly among persons 65 years and older between 1981 and 1984—from 89 percent to 84 percent. The rapid growth of the very elderly, persons 85 years old and older, may have contributed to the decline in charitable giving.

Table 3.10

INDIVIDUAL GIVING: DISTRIBUTION OF CONTRIBUTIONS TO RELIGIOUS AND OTHER CHARITIES BY FREQUENCY OF CHURCH ATTENDANCE, 1984



Frequency	Percentage of respondents	Total contributions		Contributions to religious organizations		Contributions to other charities	
		($ millions)	Percent	($ millions)	Percent	($ millions)	Percent
Attend church	86%	$53,792	94%	$40,826	98%	$12,966	82%
Weekly or nearly every week	44	38,066	66	31,661	76	6,405	41
Once or twice a month	15	6,509	11	4,166	10	2,343	15
A few times a year	27	9,217	16	4,999	12	4,218	27
Do not attend church	14	3,645	6	833	2	2,812	18
Total	100%	$57,437	100%	$41,659	100%	$15,778	100%

Source: See Table 3.4.

Notes: The estimation procedure used in this table to derive aggregate dollar contributions by respondents to charity differs from that described in the notes to Table 3.6. In this table, we used the average contribution of respondents to charities, $660, that was originally estimated by Yankelovich et al. For average contribution to religious organizations, the estimate is $480, and for other charities, $180. These estimates were multiplied by the estimated number of households as of March 1985 (86,789,000) published by the Bureau of the Census in its Series P-60, No. 149, Table 13, p. 19. The results (in millions) of dollars are $57,281 for contributions to charities, $41,659 to religious institutions, and $15,622 to other charities. These estimates were distributed by the percentages estimated for giving to religious organizations and giving to other charities. In distributing the total for other charities, we found it impossible to balance this sum because of the rounding among the components related to attending church. We resolved this problem by adding the estimates for the individual components and obtaining a new control total of $15,778, which replaced the previous figure of $15,622. To obtain revised aggregate contributions for each component and the total, we summed the estimates by rows.

- ▶ In 1984, 86 percent of Americans reported attending religious services and 14 percent reported that they did not.
- ▶ The 86 percent of Americans who attended religious services were responsible for 94 percent of total charitable contributions, whereas the 14 percent who did not attend church accounted for about 6 percent of total charitable giving in 1984.
- ▶ Giving behavior is affected by the frequency of church attendance. The 44 percent of Americans who reported that they attended religious services nearly every week made two-thirds of total charitable contributions in 1984. They accounted for three-fourths of total contributions to religion and two-fifths of total contributions to other charities.
- ▶ Of the estimated $57 billion contributed by individuals to charity in 1984, $54 billion was contributed by Americans who reported attending religious services during 1984.

TABLE 3.11

INDIVIDUAL GIVING: CHARACTERISTICS OF CHARITABLE CONTRIBUTIONS BY FREQUENCY OF CHURCH ATTENDANCE AND AGE, 1984

Average contributions and income, 1984							
All persons				Attend church every or nearly every week			
	Contributions to				Contributions to		
Total contributions	religious charities	other charities	Average income	Total contributions	religious charities	other charities	Average income
$650	$470	$180	$27,300	$990	$840	$170	$27,400

		Contributions						
		Average			Percentage of income			
Persons who attend church	Percent	Total	Religious charities	Other charities	Total	Religious charities	Other charities	Average income
Every or nearly every week	44%	$990	$840	$170	3.6%	3.1%	0.6%	$27,400
Once or twice a month	15	510	330	180	2.0	1.3	0.7	26,000
Only a few times a year	27	400	210	180	1.4	0.7	0.6	28,600
Never	14	300	70	230	1.1	0.2	0.9	26,400
All	100%	$650	$470	$180	2.4%	1.7%	0.7%	$27,300

	All incomes			Income under $30,000			Income over $30,000		
	Frequency of attendance	Percentage of income to charities		Frequency of attendance	Percentage of income to charities		Frequency of attendance	Percentage of income to charities	
Church attendance reported by respondents		Below 2%	Above 2%		Below 2%	Above 2%		Below 2%	Above 2%
				Under 35 years of age					
Every week or nearly every week	43%	50%	50%	44%	50%	50%	43%*	51*%	49*%
Once or twice a month	17	64*	36*	18*	64*	36*	15*	64*	36*
Only a few times a year	29	90	10*	28	90	10*	30*	89*	11*
Never	11*	87*	13*	10*	90*	10*	12*	82*	18*
All	100%	68%	32%	100%	68%	32%	100%	68%	32%*
				35-64 years of age					
Every week or nearly every week	48%	35%	65%	54%	42%*	58%	42%	27%*	73%
Once or twice a month	15	57	43	15	59	41*	14*	55*	45*
Only a few times a year	24	64	36	21	68*	32*	28	61*	39*
Never	13	64	36	10	53*	47*	15*	71*	29*
All	100%	49%	51%	100%	51%	49%	100%	47%	53%

Source: See Table 3.4.

*Less than 50 sample cases.

▶ Persons who attended religious services every week gave an average of $990 to charity in 1984, an amount 52 percent above the national average for total contributions of $650.

▶ Persons who attended religious services nearly every week gave more than three times as much ($990) to charity as persons who never attended religious services gave ($300). On average, these persons gave 3.6 percent of their total household income, to charity, compared with 1.1 percent for the population who did not attend church.

▶ Giving behavior varies significantly by age. Overall, 32 percent of persons under 35 years of age gave more than 2 percent of their incomes, compared with 51 percent of persons between the ages of 35 and 64.

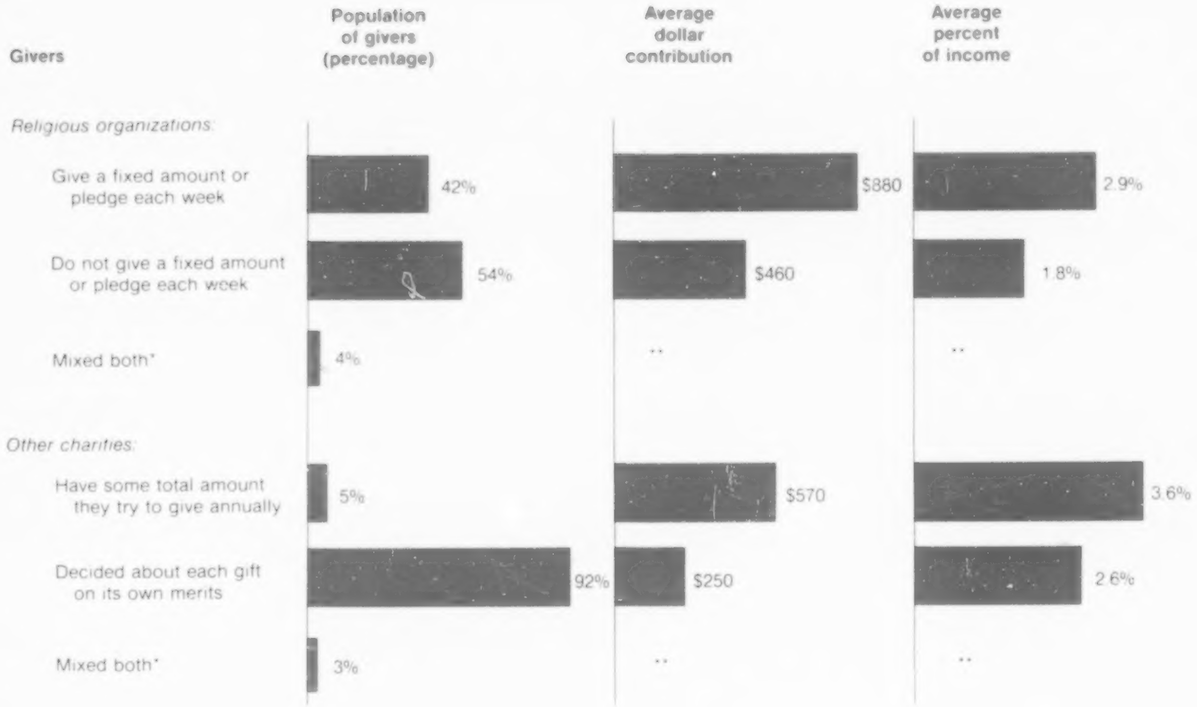
▶ Even when income is taken into account, this relationship holds true. For those persons with household incomes under $30,000, 32 percent of those under 35 years of age gave more than 2 percent of their incomes to charity, compared with 49 percent of those between 35 and 64 years of age.

▶ Although the proportion of persons between 35 and 64 years of age giving more than 2 percent of their incomes to charity increased from 49 to 53 percent when income increased, the proportion of persons under 35 years of age giving more than 2 percent to charity remained the same.

▶ There is a significant difference in giving patterns by age. A higher proportion of persons under 35 years of age, regardless of income or frequency of church attendance, gave less than 2 percent of their income to charity than those between 35 and 64 years.

TABLE 3.12

INDIVIDUAL GIVING: THE INFLUENCE OF PLANNING ON AVERAGE AMOUNT OF GIVING AND PERCENTAGE OF INCOME, 1984



Sources: See Table 3.4.

NA = Not available.

*Volunteered response.

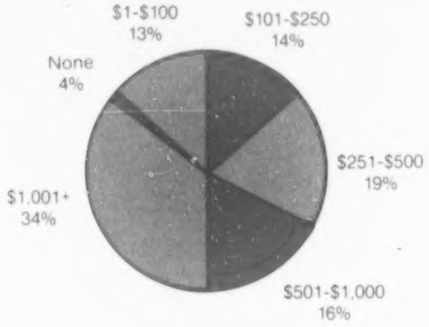
**Too few for analysis.

▶ When people were asked whether they pledged a certain dollar amount to their church or synagogue, 42 percent of the 89 percent of Americans who contributed to charity in 1984 reported that they pledged a certain dollar amount.

▶ Pledging a specific dollar amount measurably increases total contributions to religious charities. The average donations of those who pledged a dollar amount to religious charities was almost twice the amount ($880) contributed by persons who did not pledge ($460). A similar relationship held true for the very small percentage of persons who reported pledging a specific dollar amount to other charities.

Table 3.13
INDIVIDUAL GIVING: PERCEPTIONS ABOUT DISCRETIONARY INCOME AND SIZE OF CONTRIBUTIONS, 1984

Distribution of contributions by persons who reported having a moderate or a lot of income leftover after paying for basic necessities, 1984



Amount given to charity in last year	All respondents	Only enough for the basic necessities	A small amount left over	A moderate amount or a lot left over
None	11%	23%	9%	4%
$1-$50	11	19	12	5
$51-$100	11	16	10	8
$101-$250	18	19	21	14
$251-$500	18	12	21	19
$501-$1,000	13	6	14	16
$1,001+	18	5	13	34
Total	100%	100%	100%	100%

Sources: See Table 3.4.

▶ The giving behavior of Americans was affected by their perception of how much discretionary income they had left over after paying for their basic necessities. A higher proportion of Americans who perceived that they had no discretionary income gave no money or made smaller contributions to charity than did Americans who responded that they had a small amount ora moderate or a lot of discretionary income.

▶ Half of the persons who responded that they had a moderate amount or a lot of discretionary income left gave more than $500 to charity in 1984, compared with 27 percent of respondents who reported that they had a small amount of discretionary income and 11 percent of respondents who reported that they had no discretionary income.

TABLE 3.14
INDIVIDUAL GIVING: PERCEPTIONS ABOUT HAVING ENOUGH MONEY, BY HOUSEHOLD INCOME AND CHARITABLE CONTRIBUTIONS, 1984

Worrying about money	All	Household income Under $10,000	$10,000-$19,999	$20,000-$29,999	$30,000-$39,999	$40,000-$49,999	$50,000+
No	35%	36%	26%	33%	38%	33%	42%
Yes	65	64	74	67	62	67	58
	100%	100%	100%	100%	100%	100%	100%
Yes:							
A lot	23	42	29	18	13	12	13
A moderate amount	41	29	38	52	42	42	38
Only a little	36	29	33	30	45	46	49
Total	100%	100%	100%	100%	100%	100%	100%

Amount given to charity in the past year	All persons	No worry about money	Total	Worry about money A lot	A moderate amount	A little
None	11%	10%	11%	18%	11%	7%
$1-$50	11	12	11	12	9	11
$51-$100	11	9	12	14	[illegible]	11
$101-$250	18	14	20	26	2[illegible]	17
$251-$500	18	20	17	15	18	18
$501-$1,000	13	10	14	10	15	14
$1,001+	18	25	15	5	15	22
Total	100%	100%	100%	100%	100%	100%

Those giving to charity	Under 35 years of age All incomes Percentage of income to charities Below 2%	Above 2%	Under $30,000 Percentage of income to charities Below 2%	Above 2%	Above $30,000 Percentage of income to charities Below 2%	Above 2%
Worried about money?						
No	64%	36%	63%	37%	66%	34%
Yes	71	29	70	30	72	28
A lot	77	23	72	28	91	9
A moderate amount	69	31	67	33	73	27
Only a little	69	31	72	28	62	38
Total	69%	31%	68%	31%	69%	31%
			35 to 64 years of age			
Worried about money?						
No	38	62	45	55	33	67
Yes	54	46	52	48	55	45
A lot	73	27	76	24	67	33
A moderate amount	50	50	43	57	60	40
Only a little	47	53	46	54	48	52
Total	49%	51%	50%	50%	47%	53%

Sources: See Table 3.4.

▶ Americans who worried a lot about money gave significantly less to charity than Americans who reported that they did not worry about money at all.

▶ Worrying about money was related to the amount of household income. Of those worrying about money, 42 percent of persons with incomes under $10,000 worried a lot about money compared with 13 percent of persons with household incomes of $50,000 or more.

▶ The degree of worry about money had a direct influence on the amount of charitable contributions. One out of four persons who responded that they had no worry about money gave more than $1,000 to charity compared with 22 percent who worried a little, 15 percent who worried a moderate amount, and 5 percent who worried a lot about having enough money.

▶ Although the degree of worry about having enough money influenced giving in both age groups, a significantly lower proportion of persons under 35 years of age (36 percent) who reported that they had no worry about money gave more than 2 percent of their income to charity than did people from 35 to 64 years old (62 percent). This relationship holds true regardless of reported household income.

TABLE 3.15

INDIVIDUAL GIVING: CHARACTERISTICS AND LOW-LEVEL, MEDIUM-LEVEL, AND SUBSTANTIAL GIVERS, 1984

	Contributions to all charities		
	Low-level givers (Less than 0.5% of income) (Percent)	Middle-level givers (0.5%-2.49% of income) (Percent)	Substantial givers (2.50% or more of income) (Percent)
All	31%	43%	26%
Characteristics			
Income			
Under $20,000	40	41	19
$20,000-$39,999	27	46	27
$40,000+	17	45	38
Marital status			
Married	25	44	31
Single	47	37	16
Divorced/separated	41	44	15
Widowed	31	47	22
Age			
Under 35	41	40	19
35-64	24	45	31
65+	31	44	25
Income for persons under 35			
Under $30,000	42	41	17
$30,000+	37	40	23
Income for persons 35 to 64			
Under $30,000	32	45	23
$30,000+	14	46	40

Sources: See Table 3.4.

▶ Of the Americans who gave to charity in 1984, 31 percent were low-level givers, 43 percent were middle-level givers, and 26 percent were substantial givers. As expected, the level of giving was related to income. That is, 40 percent of persons with household incomes below $20,000 were low-level givers, compared with 17 percent of persons with household income above $40,000.

▶ There were substantial givers at all income ranges. Among givers, nearly one-fifth of the persons with household incomes below $20,000 are substantial givers, compared with nearly two-fifths of persons with household incomes above $40,000.

▶ A higher proportion of married persons (31 percent) who gave to charity were substantial givers than widowed persons (22 percent), divorced persons (15 percent) , or single persons (16 percent). The highest proportion of persons who were low-level givers were single (47 percent) or divorced or separated (41 percent).

▶ When they gave to charity, a higher proportion of persons (31 percent) from 35 to 64 years of age were substantial givers, than those over 65 years (25 percent) or those under 35 years of age (19 percent).

TABLE 3.16

INDIVIDUAL GIVING: PERCEPTIONS ABOUT LEVEL OF GIVING BY HOUSEHOLD INCOME, 1984

			Household income					
	Total		Under $20,000		$20,000-$39,999		$40,000+	
Level of giving	Number (millions)	Percent	Number (millions)	Percent	Number (millions)	Percent	Number (millions)	Percent
All reporting not giving enough to charity	35.3	41%	15.2	39%	11.5	39%	8.6	46%
Low-level givers[a]	12.1	14	7.4	19	3.4	12	1.3	7
Middle-level givers	14.9	17	5.1	13	5.9	20	3.9	21
Substantial givers	8.3	10	2.7	7	2.2	17	3.4	18
Giving enough to charity	51.5	59	23.6	61	17.6	61	10.3	54
All households	**86.8**	**100%**	**38.8**	**100%**	**29.1**	**100%**	**18.9**	**100%**

			Household income		
	Total		Under $20,000	$20,000-$39,999	$40,000+
Level of giving	Number (millions)	Percent	Percent	Percent	Percent
All reporting not giving enough to charity	35.3	100%	43%	33%	24%
Low-level givers	12.1	100	62	28	10
Middle-level givers	14.9	100	34	40	26
Substantial givers	8.3	100	32	26	42
Giving enough to charity	51.5	100	46	34	20
All Households	**86.8**	**100**	**45%**	**33%**	**22%**

			Household income					
	Total		Under $20,000		$20,000-$39,999		$40,000+	
Level of giving	Number (millions)	Percent	Number (millions)	Percent	Number (millions)	Percent	Number (millions)	Percent
Those who report not giving enough to charity								
Low-level givers	12.1	34%	7.4	49%	3.4	29%	1.3	15%
Middle-level givers	14.9	42	5.1	34	5.9	52	3.9	45
Substantial givers	8.3	24	2.7	17	2.2	19	3.4	40
All households not giving enough to charity	**35.3**	**100%**	**15.2**	**100%**	**11.5**	**100%**	**8.6**	**100%**

Sources: See Table 3.4.

[a] Low-level givers: less than 0.50 percent of income; middle-level givers: 0.50%-2.49%; substantial givers: 2.50% or more of income.

- ▶ In 1984, 41 percent of Americans who gave to charity reported that they did not give enough.
- ▶ The highest proportion of people who responded that they were not giving enough (46 percent) were from households with incomes above $40,000.
- ▶ Among low-level givers who responded that they did not give enough to charity, 62 percent were from households with incomes under $20,000, but only 10 percent were from those with incomes above $40,000.
- ▶ Among substantial givers reporting that they did not give enough to charity, 42 percent had household incomes above $40,000.

TABLE 3.17

INDIVIDUAL GIVING: PERCEPTIONS ABOUT THE ADEQUACY OF GIVING, 1984

"Giving as much as should be giving"

	Applies	Does not apply
All	**58%[a]**	**38%**
Average dollar contribution	**$660**	**$670**
Percentage of income given to charity	**2.4%**	**2.0%**
Income[b]		
Under $10,000	64%	36%
$10,000-$19,999	61	39
$20,000-$29,999	60	40
$30,000-$39,999	60	40
$40,000-$49,999	53	47
$50,000+	57	43
Age[b]		
Under 30	63	37
30-34	60	40
35-49	61	39
50-64	59	41
65+	68	32
Reasons[c]		
Because can't afford to give more	63	35
Because I would rather spend my money in other ways	29	70
Because I did not get around to it	23	76
Because no one asked me	14	85
Because I don't think there are any charities that deserve my support	5	93

Sources: See Table 3.4.

[a] Four percent are not sure.

[b] Includes "not sure".

[c] Difference represents respondents who were not sure.

▶ People who think that they are giving as much as they should be giving give a higher percentage of their incomes (2.4 percent) than those that think they do not (2.0 percent). Overall, 58 percent of Americans thought that they were giving as much as they should to charity, and 38 percent thought they were not.

▶ A higher percentage of persons under 30 years of age (63 percent) and persons over 65 years of age (68 percent) thought they were giving enough to charity than other age groups.

▶ The main reason people cited for not giving more was that they could not afford it (63 percent). Only 5 percent stated that they did not think there were any charities that deserved their support.

TABLE 3.18

INDIVIDUAL GIVING: PUBLIC ATTITUDES TOWARD CHARITY AND PERFORMANCE INDICATORS, 1984

"It is the responsibility of people to give what they can to charity"

Characteristic	Positive response (1)	Gave to charity last year (1984) (2)	Performance indicator Column (2) divided by column (1) (3)
All	**81%**	**89%**	**110%**
Sex			
Male	79	88	111
Female	84	89	106
Age			
Under 30	83	91	110
30-34	77	87	113
35-49	81	89	110
50-64	79	92	116
65+	87	85	98
Income			
Under $10,000	87	70	80
$10,000-$19,999	81	85	105
$20,000-$29,999	77	95	123
$30,000-$39,999	81	97	120
$40,000-$49,999	80	96	120
$50,000+	88	99	113

Sources: See Table 3.4.

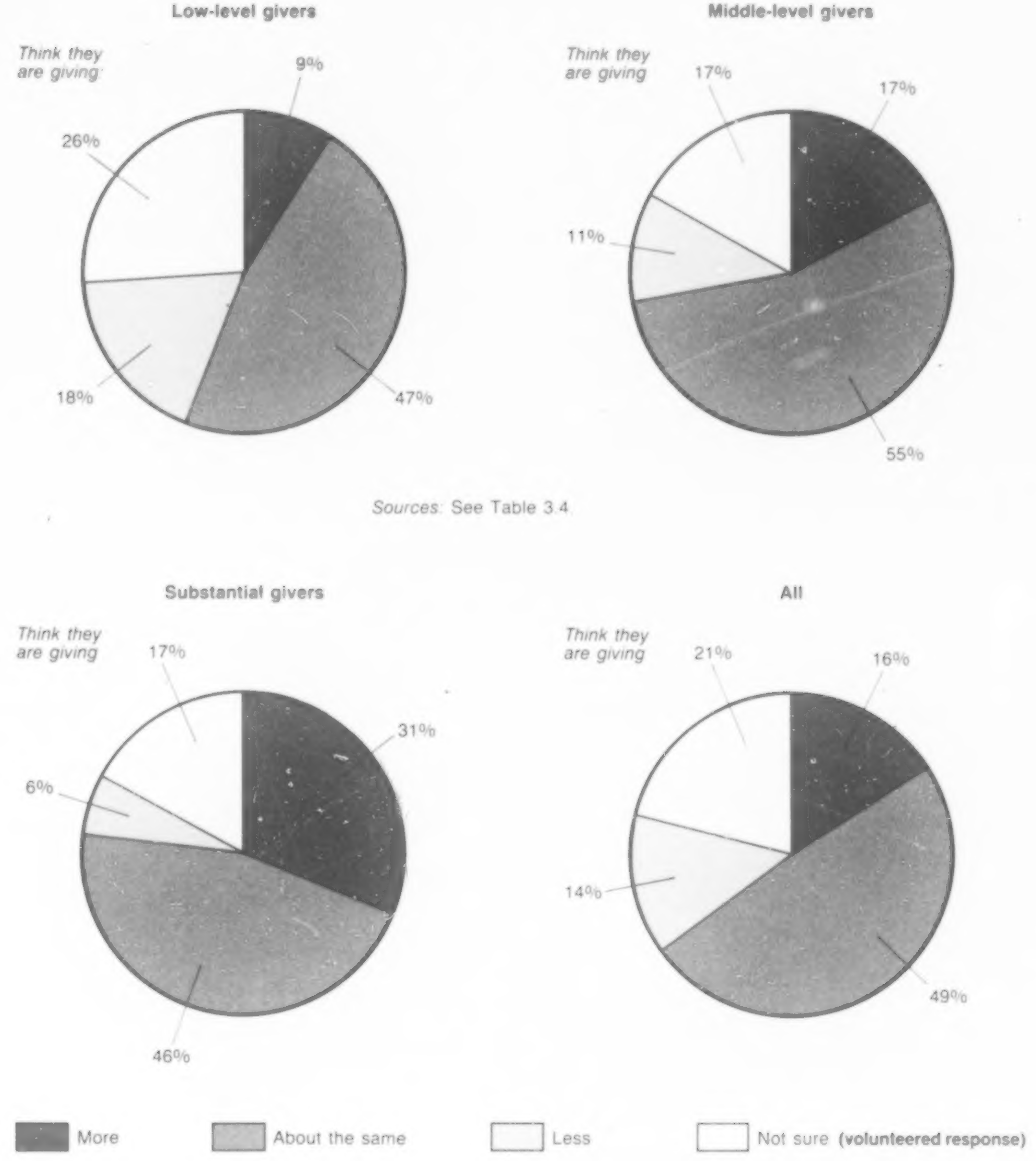
▶ In 1984, 81 percent of Americans reported that they believed people have a responsibility to give what they can to charity. In that same year, 89 percent of Americans contributed to charity, indicating that performance was even higher than their reported agreement with the statement.

▶ More women (84 percent) than men (79 percent) believed they should give to charity.

▶ More persons under 30 years of age (83 percent) and over 65 years of age (87 percent) than any other group agreed that people ought to give as much as they can to charity than other age groups; however, the highest proportion of givers were persons between 50 and 64 years of age (92 percent).

▶ Although the proportion of people who believed that persons ought to give what they can to charity was not highly related to income, the proportion of people who gave was influenced by income. Seventy percent of persons with household income below $10,000 contributed to charity in 1984 compared with 99 percent of those with household incomes above $50,000.

TABLE 3.19
INDIVIDUAL GIVING: HOW PEOPLE COMPARE THEIR CHARITABLE GIVING WITH THAT OF OTHERS LIKE THEMSELVES, 1984



Sources: See Table 3.4.

▶ When people were asked to compare their level of giving with that of their peers, 16 percent responded that they thought they gave more, 49 percent thought they gave about the same, and 14 thought they gave less. More than one-fifth of all Americans were unsure about how their giving compared to others.

▶ Of those who compared themselves with their peers, most givers at all levels knew how much their peers were giving.

▶ More than one-fourth of the low-level givers were unsure about how their giving compared with the giving of others, compared with 17 percent for middle-level or substantial givers.

TABLE 3.20
INDIVIDUAL GIVING: PERCENTAGE GIVING 2 PERCENT OR MORE OF THEIR INCOME TO CHARITY, BY AGE, INCOME, AND SELECTED VARIABLES, 1984

		Gave 2.0 percent of income or more in 1984							
		Under 35 years of age				35 to 64 years of age			
		Under $30,000		Above $30,000		Under $30,000		Above $30,000	
Overall rank[a]	Variables	Rank	(Percentage of respondents)	Rank	(Percentage of respondents)	Rank	(Percentage of respondents)	Rank	(Percentage of respondents)
1.	Attend church weekly	1	50%	1	49%	2	59%	1	73%
2.	Have a moderate or large amount of discretionary income	2	39	4	34	1	63	3	66
3.	No worry about money	4	37	3	34	5	55	2	67
4.	Volunteered in past year	3	37	5	33	3	58	4	55
5.	Worry moderately or only a little about money	6	31	6	33	4	56	5	46
6.	Attend church once or twice a month	5	36	2	36	9	41	6	45
7.	Yes—worry about money/general response	7	30	7	28	7	47	7	45
8.	Only enough to pay for the basic necessities	8	29	8	25	8	45	9	31
9.	Never attend church	9	10	9	18	6	47	10	29
10.	Attend church a few times a year	10	9	10	11	10	32	8	39

Sources: See Table 3.4.

[a] Ties in ranking were resolved by carrying the calculations to additional decimal places, with the exception of "worry moderately or only a little" and "volunteered in the past year" for under 35 years of age and above $30,000. For both variables, the number of cases to compute the percentage was the same for both numerator and denominator. The tie was resolved on the basis that the "volunteered in the past" category had higher percentages of persons giving 2.0 percent or more of their income in the other categories.

▶ When the variables that influenced giving and more than 2 percent of income were ranked, the four major determinants for all givers were (1) attended religious services weekly; (2) the perception of having a moderate or large amount of discretionary income; (3) having no worry about money; and (4) having volunteered in the past year.

▶ When the population was distributed by age and income, there was some variation among the rankings. Attending church weekly ranked first by age and income for all groupings except for the 35-to-64-year-old group with incomes under $30,000 where it ranked second. For this group, having a moderate or a lot of discretionary income ranked first and having to worry only a little about money ranked fourth.

▶ Volunteering was a more important indicator of giving more than 2 percent of income for those with incomes below $30,000 than for those with incomes above $30,000.

TABLE 3.21

VOLUNTEERS: NUMBER REPORTING VOLUNTEER HOURS, OCTOBER 1985 AND MARCH 1981

	October 1985					
					Percentage change 1985-1981	
					Figures for previous 12 months	
	Previous 12 months		Previous week			
	14+ years old	18+ years old	14+ years old	18+ years old	14+ years old	18+ years old
Civilian, noninstitutional population (October 1985, in millions)	186.3	171.5	186.3	171.5	+4.2	+5.3
Volunteered (in millions)	89.4	82.2	44.7	41.2	-3.9	-2.9
Annual hours volunteered (in millions)	16,080	14,808	16,080	14,808	+26.8	+28.3
Average annual hours per volunteer	179.9	180.1	359.7	359.4	+32.0	+32.1
Weekly hours per volunteer	3.5	3.5	6.9	6.9	+34.6	+34.6

	March 1981			
	Previous 12 months		Previous 3 months	
	14+ years old	18+ years old	14+ years old	18+ years old
Civilian, noninstitutional population (March 1981, in millions)	178.8	162.8	178.8	162.8
Volunteered (in millions)	93.0	84.7	78.7	71.6
Annual hours volunteered (in millions)	12,679	11,546	12,679	11,546
Average annual hours per volunteer	136.3	136.3	161.3	161.3
Weekly hours per volunteer	2.6	2.6	3.1	3.1

Sources: The Gallup Organization, Inc., *Americans Volunteer.* March 1981, October 1985, and findings published by INDEPENDENT SECTOR, 1981 and 1986, and the U.S. Department of Commerce (Bureau of the Census).

▶ In March 1981, 93 million Americans 14 years and older volunteered an average of 2.6 hours per week, contributing 12.7 billion hours for the year.

▶ In 1985, 89.4 million Americans over 14 years of age volunteered an average of 3.5 hours a week, contributing 16.1 billion hours for the year.

▶ Although the number of people who volunteered declined by 4 million people, or 4 percent, the average hours per volunteer increased by almost one hour. This increase in average hours volunteered meant that total annual hours volunteered by persons 14 years of age and older increased 28 percent from 1981 to 1985.

TABLE 3.22

VOLUNTEERS: PERCENTAGE OF VOLUNTEERS BY ACTIVITY AREA IN PREVIOUS 12 MONTHS, PREVIOUS 3 MONTHS, PREVIOUS MONTH, AND PREVIOUS WEEK, 1981 AND 1985

	Previous 12 months		Previous 3 months	Previous month	Previous week
	1981 March	1985 October	1981 March	1985 October	1985 October
Percentage of population that volunteered	**52%**	**48%**	**44%**	**36%**	**24%**
Area of volunteer activity					
Health	23	19	18	11	8
Education	23	27	23	22	17
Religion	37	48	25	44	42
Social services and welfare	10	15	7	8	8
Civic, social, and fraternal associations	12	17	7	11	8
Community action	12	8	7	6	4
Justice	2	2	0	*	*
Recreation	13	21	7	11	8
Arts and culture	6	8	7	6	4
Work-related organizations	10	8	11	6	4
Political organizations	12	8	9	3	4
Informal-alone	44	40	32	36	33
General fund raising	12	23	7	14	8
Other	2	*	2	*	*

Sources: The Gallup Organization, Inc., *Americans Volunteer*, March 1981, October 1985, and findings published by INDEPENDENT SECTOR, 1981 and 1986.

*Less than 0.5 percent.

[a] Sampling tolerance between surveys are plus or minus 3 percent; therefore differences between these amounts should be reviewed with some caution.

▶ Nearly half of all Americans 14 years and older contributed some volunteer time in 1985. In the week prior to the survey (in October 1985), one-quarter of the population was contributing time to a variety of activity areas.

▶ On a weekly basis, the largest proportion of volunteers contributed time to religious institutions (42 percent), 33 percent of volunteers contributed time informally, and 17 percent contributed time to educational institutions. In other activity areas, fewer than ten percent of volunteers worked in any one activity area.

▶ From 1981 to 1985, there were some changing trends in volunteering by activity area. The percentage of volunteers in general fund raising nearly doubled, from 12 percent to 23 percent. Major increases in volunteering also occurred in all types of religious institutions, fraternal associations, social services and welfare, and in recreation.

▶ Decreases in the percentage of volunteers occurred in the areas of health, community action, and political organizations. Volunteering in the area of justice remained stable.

▶ Volunteers can vary their activity over the year. One-quarter of volunteers contributed time to religious institutions from January through March in 1981, but 37 percent of volunteers contributed some time to religious institutions over the year.

▶ The area in which the largest proportion of volunteers was noted is "informally, alone". A third of the volunteers contributed time informally in the first quarter of 1981, and 44 percent of all volunteers contributed some time informally over the year.

▶ The only area in which the same proportion of volunteers worked in the first quarter of the year and annually is education, where 23 percent of the volunteers contributed time.

TABLE 3.23
VOLUNTEERS: TYPE OF WORK VOLUNTEERED AND NUMBER OF HOURS IN PREVIOUS MONTH, OCTOBER 1985

	All who volunteered in the past month	
Type of work	Total	Average hours volunteered in previous month
Assisting the elderly/handicapped/ social service recipient	19%	12.7
Fund raising for local organization	15	6.4
Babysitting	15	14.2
Aide/assistant to paid employee	12	8.8
Sunday school/bible teacher	10	8.0
Committee member	10	7.2
Answer telephone/make calls	8	7.7
Teacher/tutor	8	6.9
Choir member/director	6	9.7
Aide to clergy	6	8.3
Recreational activity leader	5	7.4
Organization officer	5	5.4
Driver	4	11.7
Cleaning/janitorial work	4	9.1
Church usher	4	NA
Fund raising for national organization	4	5.8
Office personnel	4	5.4
Any type of work	NA	17.8

Sources: See Table 3.22.

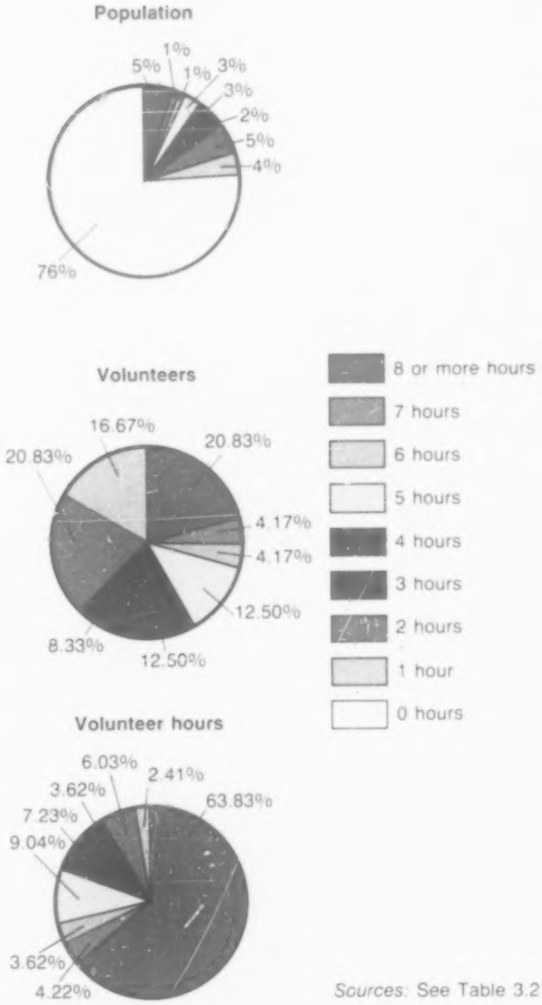
NA = Not available.

▶ When persons who reported that they volunteered in October 1985 were asked what types of work they performed, the most common answer was providing assistance to the elderly, handicapped, or other social service recipients (19 percent).

▶ Other common types of volunteer assistance were local fund raising (15 percent), babysitting (15 percent), assistance to a paid employee (10 percent), Sunday school teaching (10 percent), and serving as a committee member (10 percent) or as a teacher or tutor (8 percent).

▶ People reported the highest average hours per month in the volunteer jobs of babysitting; assisting the elderly, handicapped, or social welfare recipients; driving; singing in or directing a choir; and doing cleaning or janitorial work.

TABLE 3.24
VOLUNTEERS: PERCENT OF POPULATION AND NUMBER OF HOURS VOLUNTEERED IN THE PREVIOUS WEEK, OCTOBER 1985



Sources: See Table 3.21

▶ In the week queried, nearly one-quarter of Americans 14 years old or older had volunteered.

▶ Of this group, 10 percent of the population (or 42 percent of all volunteers) had volunteered five or more hours a week, contributing about four-fifths of the total volunteer time for that week.

▶ Five percent of the population (approximately 21 percent of all volunteers) contributed 8 hours or more, (64 percent of total volunteer time for that week).

▶ A majority of volunteers (58 percent) contributed one to four hours that week.

TABLE 3.25
VOLUNTEERS: PROPORTION VOLUNTEERING IN PREVIOUS 12 MONTHS BY SELECTED DEMOGRAHIC CHARACTERISTICS, MARCH 1981, FEBRUARY 1985, AND OCTOBER 1985

Percentage of population that volunteered[a]	March 1981 52%	February 1985 47%	October 1985 48%
Characteristics of volunteers			
Sex			
Male	47	48	45
Female	56	45	51
Age			
14-17	53	NA	52
18-24	54	47	43
25-34	NA	53	
25-44	59	NA	NA
25-64	55	NA	51
35-49	NA	53	54
45-54	55	NA	NA
50-64	NA	47	44
55-64	45	NA	NA
65	37	36	37
65-74	NA	NA	43
75+	NA	NA	26
Race			
White	54	NA	49
Black and other races	41	NA	38
Marital status			
Married	53	49	52
Single	58	48	39
Divorced/separated/widowed	42	41	39
Widowed	NA	35	NA
Employment status			
Full-time	55	NA	49
Part-time	65	NA	62
Not employed	45	NA	44
Education			
Grade school	26	NA	29
Some high school	31	NA	38
4-years high school	54	NA	46
College, less than 4 years	65	NA	61
College, 4 years or more	75	NA	65
Income			
Under $4,000	40	NA	NA
$4,000-$6,999	36	NA	NA
$7,000-$9,999	35	NA	NA
Under $10,000	36	38	40
$10,000-$14,999	46	NA	NA
$10,000-$19,999	49	44	42
$15,000-$19,999	53	NA	NA
$20,000+	63	NA	NA
$20,000-$29,999	NA	47	44
$20,000-$39,999	64	NA	52
$30,000-$39,999	NA	58	64
$40,000-$49,999	NA	52	67
$40,000+	62	NA	60
$50,000+	NA	54	56

Sources: See Table 3.22.

See note to Table 3.22.

NA = Not available.

- ▶ The number of people volunteering varies by season of the year, but generally the percentage of persons volunteering declined slightly between 1981 and 1985.
- ▶ The major declines among the percentage of volunteers between 1981 and 1985 have been among single persons (down 19 percentage points), persons with incomes between $20,000 and $40,000 (down 12 percentage points), persons between 18 and 24 years of age (down 11 percentage points), and college graduates (down ten percentage points).
- ▶ Volunteering has increased among persons with incomes of less than $10,000 (up four percentage points), persons with some high school (up seven percentage points), and persons with some grade school (up three percentage points).

TABLE 3.26

VOLUNTEERS: PERCENTAGE OF POPULATION 18 YEARS OLD AND OLDER VOLUNTEERING BY ACTIVITY AREA IN PREVIOUS 12 MONTHS, MARCH 1981 AND OCTOBER 1985

	Volunteer assignments among the population			
	1981 (March)		1985 (October)	
Volunteer areas	Percentage reporting assignments	Distribution among areas	Percentage reporting assignments	Distribution among areas
Health	12	10.7	9	7.7
Education	12	10.7	13	11.1
Religious	19	17.0	23	19.7
Social services and welfare	5	4.5	7	6.0
Civic, social and fraternal associations	6	5.4	8	6.8
Community action	6	5.4	4	3.4
Justice	1	0.9	1	0.9
Recreation	7	6.3	10	8.6
Arts and culture	3	2.7	4	3.4
Work-related organizations	5	4.5	4	3.4
Political organizations	6	5.4	4	3.4
Informal-alone	23	20.5	19	16.2
General fund raising	6	5.4	11	9.4
Other	1	0.9	*	*
Total[a]	112%[b]	100.0%	117%	100.0%
Total voluntary assignments per volunteer	**2.2**		**2.4**	

Sources: The Gallup Organization, Inc., *Americans Volunteer,* March 1981, October 1985, and findings published by INDEPENDENT SECTOR, 1981 and 1986.

*Less than 0.5 percent.

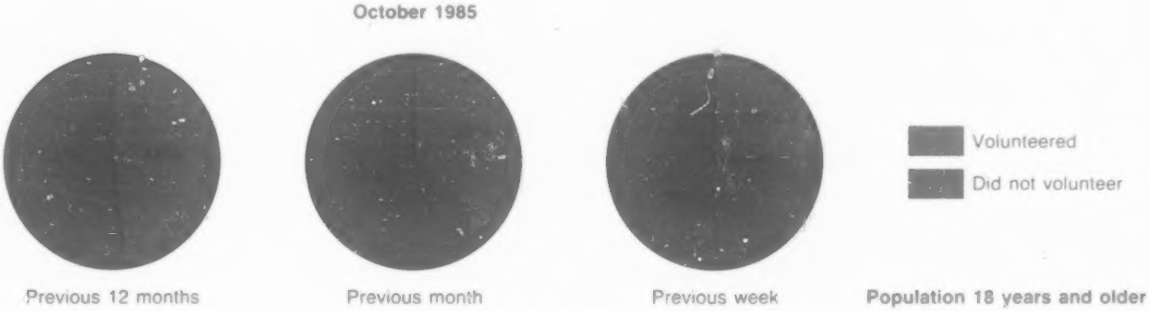
[a] See note to Table 3.22

[b] Columns may not total 100 percent because of multiple responses.

- ▶ The average percentage of volunteers in the total population declined slightly from 1981 and 1985.
- ▶ Volunteering by activity area has changed somewhat from 1981 to 1985. The largest increase was in general fund raising, up five percentage points since 1981.
- ▶ Other areas of activity where the percentage of volunteers increased were recreation, religion, social services, education and arts and culture.
- ▶ The largest decline among the percentage of the total population volunteering was in informal volunteering, down four percentage points from 1981 to 1985.
- ▶ Other areas of activity where volunteering declined were in health; community action; work-related organizations; and political organizations.

TABLE 3.27

VOLUNTEERS: PERCENTAGE OF POPULATION 18 YEARS OLD AND OLDER VOLUNTEERING BY ACTIVITY AREA IN THE PREVIOUS 12 MONTHS, PREVIOUS MONTH AND PREVIOUS WEEK, OCTOBER 1985



Area of volunteer activity	Volunteer assignments among the population					
	Previous 12 months		Previous month		Previous week	
	Percentage reporting assignments	Distribution among areas	Percentage reporting assignments	Distribution among areas	Percentage reporting assignments	Distribution among areas
Health	9%	7.7%	4%	6.3%	2%	5.6%
Education	13	11.1	8	12.5	4	11.1
Religious institutions	23	19.7	16	25.0	10	27.8
Social services and welfare	7	6.0	3	4.7	2	5.6
Civic, social and fraternal associations	8	6.8	4	6.3	2	5.6
Community action	4	3.4	2	3.1	1	2.8
Justice	1	0.9	*	*	*	*
Recreation	10	8.6	4	6.3	2	5.6
Arts and culture	4	3.4	2	3.1	1	2.8
Work-related organizations	4	3.4	2	3.1	1	2.8
Political organizations	4	3.4	1	1.6	1	2.8
Informal-alone	19	16.2	13	20.3	8	22.2
General fund raising	11	9.4	5	7.8	2	5.6
Other	*	*	*	*	*	*
Total	117%[a]	100.0%	64%	100.1%[b]	36%	100.3%[b]
Total voluntary assignments per volunteer	**2.4**		**1.8**		**1.5**	

Sources: See Table 3.22.

*Less than 0.5 percent.

[a] Total exceeds 100 percent because of multiple responses.

[b] Total exceeds 100 percent because of rounding.

▶ The four areas of activity in which the most volunteering occurred were religious institutions, informal volunteering, education, and health.

▶ In 1985, when all voluntary assignments reported by Americans were tabulated, the average volunteer had 1.5 voluntary assignments per week, 1.8 assignments per month, and 2.4 assignments annually.

TABLE 3.28
VOLUNTEERS: TYPE OF ORGANIZATION AND AREA OF VOLUNTEER ACTIVITY, OCTOBER 1985

	October 1985[a]						
	Private sector			Government sector			
		Nonprofit					
	For profit						
Area of volunteer activity	All	Religious	Other than religious	Local, city, and county	State	Federal	Total
Health	7%	12%	55%	24%	2%	-	100%
Education	4	18	37	38	3	-	100
Religious institutions	1	94	4	**	-	-	99
Social services and welfare	3	17	62	15	2	1%	100
Civic, social, and fraternal association	3	10	72	11	3	3	102
Community action	-	6	60	33	-	2	101
Justice	*	*	*	*	*	*	-
Recreation	2	9	70	18	1	**	100
Arts and culture	9	4	65	8	13	-	100
Work-related organization	17	-	50	13	12	7	99
Political organization	2	4	27	18	4	44	99
General fund raising	2	19	67	10	1	**	100
Informal-alone	4	9	79	6	2	-	100
Total	3.5%	29.6%	48.2%	14.1%	2.5%	2.2%	100%
Total (excluding informal-alone)	**2.9%**	**39.9%**	**39.1%**	**13.5%**	**1.9%**	**2.7%**	**100%**

Sources: See Table 3.22.

Dash = Not applicable.

*Too few cases.

**Less than 0.5 percent.

[a] In *Americans Volunteer 1985*, commissioned by INDEPENDENT SECTOR and conducted by The Gallup Organization, Inc., a question was asked (no. 107) about the type of organization in which the respondents had performed their volunteer services during the previous 12 months. The tabulated responses for each area (e.g., health, education) were recalculated removing the "don't know" category as it appears in the Statistical Appendix, p. 40, of *Americans Volunteer 1985*. The distribution pattern that emerged for each area was multiplied by the estimate of annual volunteer hours received during the previous 12 months and summed to derive the distribution of volunteers by type.

▶ In 1985, excluding the informal-alone category, nearly four-fifths of volunteering was for nonprofit organizations: 39.9 percent of these organizations were institutions affiliated with religion, and 39.1 percent were nonprofit organizations with no religious affiliation.

▶ Twenty-one percent of all volunteers contributed time to for-profit organizations (2.9 percent) or government at the local (13.5 percent), state (1.9 percent), or federal (2.7 percent) levels.

▶ The major area of volunteer activity reported by volunteers for religious institutions was to the church or synagogue, or other religious organization (94 percent), followed by general fund raising (19 percent), education 18 percent), and social services (17 percent).

▶ Nearly 40 percent of all volunteers reported working for nonprofit organizations other than religious ones. Among the major activity areas in which volunteers contributed time were civic, social, and fraternal associations (72 percent); recreation (70 percent); and arts and culture (65 percent).

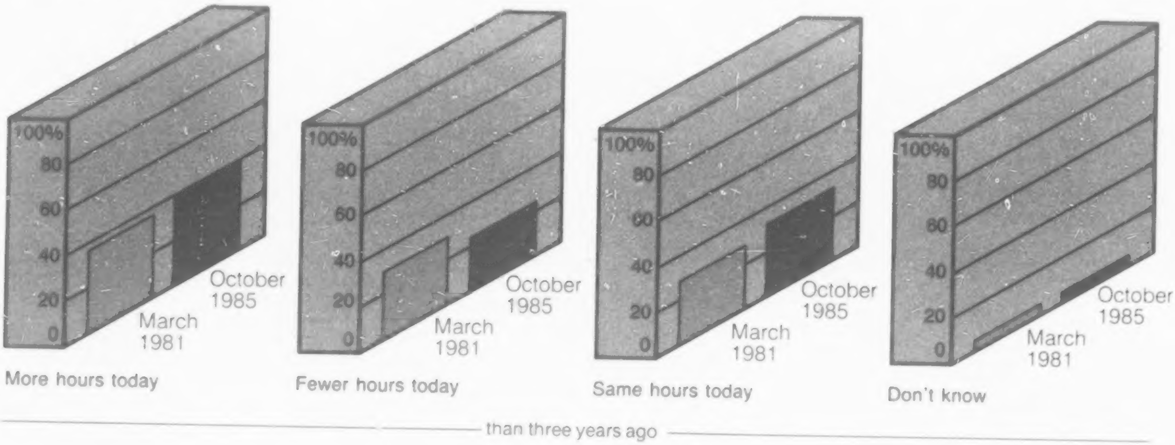
▶ Of the approximate 3 percent of volunteer time given to for-profit organizations, the most common activity areas were work-related organizations (17 percent), arts and culture (9 percent), and health (7 percent).

▶ Of the 14 percent of volunteers who contributed time to local government agencies, the most common areas of activity were education (38 percent), community action (33 percent), and health (24 percent). For the small percentage of volunteers who contributed to the state and federal government, the most common areas of activity at the state level were arts and culture and work-related organizations, and at the federal level, political organizations.

TABLE 3.29
VOLUNTEERS: COMPARISON OF HOURS VOLUNTEERED IN MARCH 1981 AND OCTOBER 1985, AND A BREAKDOWN OF HOURS BY AGE OF VOLUNTEER

Comparison of volunteer by age[a]	March 1981					October 1985				
	More hours today	Fewer hours today	Same hours today	Don't know	Total	More hours today	Fewer hours today	Same hours today	Don't know	Total
18-24 years	NA	NA	NA	NA	NA	45%	23%	23%	9%	100%
18-34 years	46%	38%	11%	5%	100%	NA	NA	NA	NA	NA
25-34 years	NA	NA	NA	NA	NA	44	24	27	5	100
25-44 years	42	28	26	4	100	NA	NA	NA	NA	NA
35-49 years	NA	NA	NA	NA	NA	29	24	43	4	100
45-54 years	20	31	46	3	100	NA	NA	NA	NA	NA
50-64 years	NA	NA	NA	NA	NA	37	27	33	3	100
55-64 years	30	25	42	3	100	NA	NA	NA	NA	NA
65 and over	23	31	40	6	100	26	30	39	5	100

Comparison of Overall Volunteer Time



Sources: See Table 3.22.
NA = Not available.
[a]See note to Table 3.22.

- Two-fifths of Americans who volunteered in 1985 reported that they were contributing more time in 1985 than three years ago.
- The proportion of younger people reporting working more hours in 1985 is large (45 percent) because they were just starting to volunteer.
- A smaller proportion (24 percent) of volunteers reported that they were working fewer hours in 1985 than reported in 1981 (30 percent).
- In 1985, 37 percent of volunteers between 50 and 65 years of age and 26 percent of volunteers over 65 years of age reported that they were working more hours than three years ago.

TABLE 3.30
VOLUNTEERS: HOW THEY LEARNED ABOUT THEIR ACTIVITY, MARCH 1981 AND OCTOBER 1985

	1981 March	1985 October
Asked by someone[a]	45%	39%
Through participation in an organization	31	43
Family member or friend in or benefiting from the activity	30	29
Sought out activity on my own	25	22
Saw an ad on TV, or radio or in a printed source	6	4
Other reason	3	3
Don't know	4	9
Total	144%[b]	149%

Sources: See Table 3.22.

[a] See note to Table 3.22.

[b] Total exceeds 100 percent because of multiple responses.

▶ In 1981, the main ways volunteers first learned about the volunteer activity in which they worked were by being asked (43 percent), by participating in an organization (31 percent), by having a family member or friend who participated in or benefited from the activity (25 percent), or by seeking out the activity on their own (25 percent).

▶ In 1985, the main ways volunteers first learned about the volunteer activity in which they worked were by participation in an organization (45 percent), by being asked by someone (39 percent), by having a family member or friend who participated in or benefited from the activity (29 percent), or by seeking out the activity on their own (22 percent).

TABLE 3.31
VOLUNTEERS: REASONS FOR INVOLVEMENT IN VOLUNTEER ACTIVITY, MARCH 1981 AND OCTOBER 1985

Five main reasons cited in 1985

Wanted to do something to help others	Had an interest in the activity or work	Enjoyed doing the work	Knew someone who was involved or would benefit	Religious concerns
55%	37%	38%	24%	26%

	First became involved		Continue to be involved	
	1981 March	1985 October	1981 March	1985 October
Wanted to do something useful to help others[a]	45%	52%	50%	55%
Had an interest in the work or activity	35	36	35	37
Enjoyed doing the work	29	32	28	38
Knew someone who was involved or would benefit from it	23	26	20	24
Religious concerns	21	27	20	26
Wanted to learn and get the experience	11	10	7	8
Had a lot of free time	8	10	6	8
Thought my work would keep taxes down	5	3	3	2
Other reasons	1	2	1	1
Don't know	5	7	8	7
Total	183%[b]	205%	178%	206%

Sources: See Table 3.22.

[a] See note to Table 3.22.

[b] Totals exceed 100 percent because of multiple responses.

▶ The primary reason people get involved and stay involved in voluntary activity is that they are doing something useful to others. In 1981, 45 percent of American volunteers responded that they got involved for this reason, and 50 percent indicated that they stayed involved in volunteer activities for the same reason.

▶ In 1985, an even higher percentage (52 percent) of Americans reported that they engaged in voluntary activity in order to do something useful to help others and continued to volunteer (55 percent) for the same reasons.

▶ Other major reasons people gave for engaging in voluntary activity were that they had an interest in the activity, they enjoyed doing the work, they had a family member or a friend who was involved or who would benefit from it, and they had religious concerns.

▶ A higher proportion of persons reported in 1985 that they continued to volunteer because they enjoyed the work (38 percent) than did so in 1981 (28 percent).

TABLE 3.32

VOLUNTEERS: RELATIONSHIP BEWTEEN COMMUNITY INVOLVEMENT, ATTENDANCE OF RELIGIOUS SERVICES, PARTICIPATION IN VOLUNTEER WORK, AND CONTRIBUTIONS TO CHARITY, 1984 AND 1985

	1984								
	Percentage of respondents								
	Degree of community involvement				Attend religious services				
	Very active	Fairly active	Somewhat active	Not active at all	Weekly or nearly weekly	Once or twice a month	Few times a year	Never	All
Participated in volunteer work in the past year	72%	62%	52%	30%	56%	40%	42%	35%	47%
Distribution of respondents	14	18	30	38	44	15	27	14	100

	1985			
	Relationship between contributions to charity and participation in volunteer work			
	Contributions to charity			Percentage of volunteers who both volunteered and made a contribution
Areas	All	Volunteers	Nonvolunteers	
Health	15%	18%	12%	37%
Education	15	23	7	49
Religious institutions	52	63	42	90
Social services, welfare	14	20	9	38
Civic, social and fraternal associations	14	20	8	51
Community action	5	7	3	31
Justice	1	2	1	*
Recreation	12	18	6	49
Arts and culture	8	12	4	55
Work related organization	6	8	4	43
Political organization	9	12	7	60
Informal-alone	9	14	4	NA
General fund raising	41	51	31	NA
Other	3	2	4	NA
None	18	8	28	—
Total	222%[a]	278%	170%	—

	1984			
	Participation in volunteer work		Hours spent volunteer work	
	Yes	No	Less than 3 hours	More than 3 hours
All respondents				
Average contribution	$830	$510	$700	$1,020
Average percentage of income	2.8	2.0	2.3	3.6
Givers only				
Average contribution	$880	$600	$720	$1,110
Average percentage of income	2.9	2.2	2.4	3.5

Sources: See Table 3.22 and, The Yankelovich et al. survey, 1986.

*Less than 0.5 percent

NA = Not available.

Dash = Not applicable.

[a] Totals exceed 100 percent because of multiple responses.

- ▶ Persons who reported that they were very active or fairly active in their community were most likely to volunteer. Of the 14 percent of adults who reported they were very active, 72 percent volunteered in 1984, and of the 18 percent of adults who were fairly active in their community, 62 percent volunteered.
- ▶ Of those adults (38 percent) who responded that they were not active at all in their community, only 30 percent volunteered in 1984.
- ▶ Weekly attendance at religious services also has an influence on the amount of volunteer activity. Of the 44 percent of Americans who reported attending religious services nearly every week in 1984, 56 percent also volunteered.

TABLE 3.32 (continued)

- In all cases, a higher percentage of persons who volunteered in various areas also contributed money. In 1985, 52 percent of all respondents reported contributing money to religious institutions. Sixty-three percent of volunteers reported contributing to religious institutions, compared with 42 percent among those who did not volunteer. While 15 percent of Americans contributed to education, 23 percent of all volunteers contributed to education, compared with 7 percent among nonvolunteers.
- Volunteers also are more likely to contribute money to the area in which they did volunteer work. For example, nearly half (49 percent) of the persons who did volunteer work for educational institutions also made a monetary contribution to education, compared with 23 percent who volunteered and gave to education, and 7 percent for nonvolunteers.
- Volunteers contribute more money and a higher percentage of their income on average than persons who do not volunteer. In 1984, the average contribution of volunteers was $830 and 2.8 percent of their household income, compared with an average contribution of $510 and 2.0 percent of income for nonvolunteers.

TABLE 3.33
VOLUNTEERS: PUBLIC ATTITUDES TOWARD VOLUNTEERING COMPARED WITH ACTUAL PERFORMANCE, BY SELECTED CHARACTERISTICS, 1985

"Every person should volunteer some of his time to help those who are less well off"

	Positive response (1)	Volunteered previous year February 1985 (2)	Performance indicator column (2) divided by column (1) (3)
All respondents	**78%**	**47%**	**60%**
Sex			
Male	76	48	63%
Female	81	45	56%
Age			
Under 30	74	44	59%
30-34	79	51	65%
35-49	77	53	69%
50-64	80	47	59%
65+	83	36	43%
Income			
Under $10,000	90	38	42%
$10,000-$19,999	79	44	56%
$20,000-$29,999	76	47	62%
$30,000-$39,999	76	58	76%
$40,000-$49,999	72	52	72%
$50,000+	83	54	65%

Source: See Table 3.4.

- Although 78 percent of Americans surveyed said that they believed that every person should volunteer to help persons less fortunate than themselves in 1984, only 47 percent of Americans volunteered in that year, for a 60 percent performance rating.
- Although 83 percent of the persons over 65 years of age said that they believed persons should volunteer, only 36 percent volunteered in 1984, for a 43 percent performance rating.
- The highest performance rating (69 percent) was among persons between 35 and and 49 years of age, where 77 percent agreed that every person should volunteer and 53 percent of this age group did.
- Persons with household incomes under $10,000 or over $50,000 had the highest proportion of positive responses to this question. However, only 38 percent of persons with incomes under $10,000 volunteered, for a performance rating of 42 percent, whereas 54 percent of persons with household incomes of over $50,000 volunteered, for a performance rating of 65 percent.

TABLE 3.34

FOUNDATION GIVING: GRANTS MADE, GIFTS RECEIVED, AND ASSETS, 1982-1975

Year	Foundations		Grants		Gifts		Gifts as percentage of grants	Assets		Payout[a]
	Number	1975=100	Amount (millions)	1975=100	Amount (millions)	1978=100		Amount (millions)	1975=100	
1983	24,261	110.8	$4,479	230.3	$2,706	167.8	60.4%	$67,867	225.0	6.60%
1982	23,770	108.7	4,490	230.9	4,004	248.1	89.2	58,670	194.7	7.65
1981	21,967	100.4	3,795	195.1	2,392	148.2	63.0	47,567	157.9	7.98
1980	22,088	101.0	3,434	176.6	1,984	122.9	57.8	48,174	159.9	7.13
1979	22,535	103.0	2,848	146.4	2,214	137.2	77.7	41,594	138.1	6.85
1978	22,484	102.8	2,547	131.0	1,614	100.0	63.4	37,265	123.7	6.83
1977	22,152	101.3	2,347	120.7	NA	NA	NA	35,369	118.3	6.64
1976	21,447	98.0	2,229	114.6	NA	NA	NA	34,785	115.5	6.41
1975	21,887	100.0	1,945	100.0	NA	NA	NA	30,129	100.0	6.46

Sources: The Foundation Center, *National Data Book*, various editions. The Foundation Center estimates are derived from the Internal Revenue Service's computer files on Tax Forms 990-AR and 990-PF.

NA = Not available.

[a] Payout represents grants as a percentage of assets.

▶ There was little growth in the establishment of foundations from 1975 to 1981, probably because of the restrictive legislation passed in 1969, which tightly controlled the formation of foundations and the percentage of contributions of the donors' adjusted income and gifts of appreciated property to foundations that qualify as a tax deduction. This law has been liberalized since 1969, and it is expected that the rate for forming new foundations will increase in the future. From 1981 to 1983, the number of foundations increased by 10.4 percent, the first major growth since 1979.

▶ Grants increased by 130 percent from 1975 to 1983 amounting to $4.5 billion. Gifts received by foundations grew 68 percent from 1978 to 1983. Foundations received $2.7 billion in 1983. The proportion that gifts represented of total grants given out decreased from 63 to 60 percent during this period.

▶ Assets of foundations increased by 125 percent from 1975 to 1983. The greatest growth occurred between 1981 and 1983 when the stock market rose and inflation fell.

▶ The payout rate (grants paid out as a percentage of assets) increased from 6.46 percent in 1975 to 7.98 percent in 1981. Because of better performance in asset growth, the payout rate declined to 6.60 percent in 1983. Changes in the 1981 Economic Recovery Tax Act regarding the payout requirements of foundations, along with a better economy and lower inflation, have helped foundations to rebuild some of their asset base lost through the payout requirements that were in force through the 1981 fiscal year.

TABLE 3.35

FOUNDATION GIVING: NUMBER, ASSETS, GIFTS RECEIVED, AND GRANTS MADE OF GRANT-MAKING FOUNDATIONS, CIRCA 1983[a]

	All foundations		Grants made		Gifts received		Assets		
	Number	Percent	Amount (millions)	Percent	Amount (millions)	Percent	Amount (millions)	Percent	Payout[b]
Independent[c]	23,349	96.2%	4,185	93.4%	2,397	88.6%	60,459	89.1%	6.92%
Operating[d]	676	2.8	52	1.2	99	3.7	4,617	6.8	1.13
Community[e]	236	1.0	242	5.4	209	7.7	2,792	4.1	8.67
Total	**24,261**	**100.0%**	**4,479**	**100.0%**	**2,706**	**100.0%**	**67,867**	**100.0%**	**6.60%**

Source: *The Foundation Center, National Data Book*, 10th Edition, New York, 1986.

[a] Data for the Foundation Center's *National Data Book*, 10th Edition, are drawn from 1982, 1983 and 1984 tax returns. The bulk of the returns are from 1983.

[b] Payout represents grants as a percentage of assets.

[c] This figure includes private nonoperating grant-making foundations and company-sponsored foundations.

[d] This figure excludes 1,180 operating foundations that do not award grants.

[e] This figure includes data for 34 community foundations classified by the Internal Revenue Service as private foundations.

▶ In 1983, there were 24,261 foundations. Independent foundations, which make up 96 percent of all foundations, include private, nonoperating and company-sponsored foundations that are endowed by families, groups, individuals, or companies. These foundations made grants of $4.2 billion (93 percent of total foundation giving) in 1983, received $2.4 billion in gifts, and had assets of $60.5 billion. The proportion of grants to assets was 6.92 percent.

▶ An operating foundation is a private foundation that uses its resources to conduct research or provide a service. If it makes grants, they are usually in support of the foundation's program. In 1983, 676 operating foundations accounted for approximately 3 percent of all foundations. They made grants of $52 million—1.2 percent of total foundation grants. They received $99 million in gifts, had 4.6 billion in assets, and had a payout rate of 1.1 percent.

▶ Community foundations are publicly supported charities that generally make grants to charitable organizations in the local community. Rather than being supported by individuals or companies, they are supported by contributions from many donors. In 1983, 236 community foundations represented 1.0 percent of all foundations. They gave $242 million in grants, received $209 million in gifts, had assets of $2.8 billion, and had a payout rate of 8.7 percent.

TABLE 3.36

FOUNDATION GIVING: FOUNDATIONS, GRANTS MADE, GIFTS RECEIVED, AND ASSETS BY CATEGORY OF ASSETS, 1983 AND 1977

Asset Category	Foundations		Grants made		Average total grants made per foundation	Gifts received		Gifts as a percentage of grants	Assets (market value)		Average assets per foundation	Payout
	Number	Percent	Amount (millions)	Percent	Column (3) divided by column (1)	Amount (millions)	Percent	Column (6) divided by column (3) x 100	Amount (millions)	Percent	Column (9) divided by column (1)	Column (3) divided by column (9) x 100
1983												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$100+ million	96	0.4%	$1,291	28.8%	$13,447,917	$192	7.1%	14.9%	$32,378	47.7%	$337,270,833	3.99%
$50 million-$99 million	93	0.4	433	9.7	4,655,914	411	15.2	94.9	6,621	9.8	71,193,548	6.54
$10 million-$49 million	687	2.8	979	21.9	1,425,036	736	27.2	75.2	14,003	20.6	20,382,824	6.99
$5 million-$9.99 million	621	2.6	358	8.0	576,490	270	10.0	75.4	4,327	6.4	6,967,794	8.27
$1 million-$4.99 million	3,100	12.8	662	14.8	213,548	509	18.8	76.9	6,902	10.2	2,226,452	9.59
$500,000-$999,999	2,295	9.5	210	4.7	91,503	161	5.9	76.7	1,625	2.4	708,061	12.92
$250,000-$499,999	2,849	11.7	153	3.4	53,703	113	4.2	73.9	1,017	1.5	356,967	15.04
$100,000-$249,999	4,101	16.9	119	2.7	29,017	89	3.3	74.8	665	1.0	162,156	17.89
$50,000-$99,999	2,749	11.3	60	1.3	21,826	47	1.7	78.3	200	0.3	72,754	30.00
$49,999 and under	7,670	31.6	224	5.0	29,205	178	6.6	79.5	129	0.2	16,819	173.64
Total	**24,261**	**100.0%**	**$4,479**	**100.0%**	**$184,617**	**$2,706**	**100.0%**	**60.4%**	**$67,867**	**100.0%**	**$2,797,370**	**6.60%**
1977												
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
$100+ million	41	0.2%	$643	27.4%	$15,682,927	NA	NA	NA	12,735	36.0%	$310,609,756	5.05%
$50 million-$99 million	59	0.3	202	8.6	3,423,729	NA	NA	NA	4,385	12.4	74,322,034	4.61
$10 million-$49 million	371	1.7	435	18.5	1,172,507	NA	NA	NA	7,646	21.6	20,609,164	5.69
$5 million-$9.99 million	409	1.8	235	10.0	574,572	NA	NA	NA	2,915	8.2	7,127,139	8.06
$1 million-$4.99 million	2,150	9.7	390	16.6	181,395	NA	NA	NA	4,720	13.3	2,195,349	8.26
$500,000-$999,999	1,696	7.7	121	5.2	71,344	NA	NA	NA	1,191	3.4	702,241	10.16
$250,000-$499,999	2,376	10.7	99	4.2	41,667	NA	NA	NA	842	2.4	354,377	11.76
$100,000-$249,999	3,600	16.3	82	4.2	22,778	NA	NA	NA	583	1.6	161,944	14.07
$50,000-$99,999	2,822	12.7	52	2.2	18,427	NA	NA	NA	205	0.6	72,644	25.37
$49,999 and under	8,628	38.9	88	3.7	10,119	NA	NA	NA	147	0.4	18,175	59.86
Total	**22,152**	**100.0%**	**$2,347**	**100.0%**	**$105,950**	**NA**	**NA**	**NA**	**$35,363**	**100.0%**	**$1,596,605**	**6.64%**

Sources: *The Foundation Center, National Data Book*, 10th and 4th Editions, New York, 1986 and 1979.

NA = Not available.

▶ The number of foundations with assets exceeding $50 million grew from 100 in 1977 to 189 in 1983. Although these foundations accounted for only 0.5 percent of foundations in 1977, they gave out 36 percent of all grants. In 1983, they represented 0.8 percent of all foundations and gave out 38.5 percent of all grants. This small group of foundations had 48 percent of all assets of foundations in 1977 and 57.5 percent of all foundation assets in 1983. They also received 22.3 percent of all gifts made to foundations in 1983.

TABLE 3.37

FOUNDATION GIVING: GRANTS MADE, GIFTS RECEIVED, AND ASSETS OF FOUNDATION IN THE *FOUNDATION DIRECTORY*, BY TYPE OF FOUNDATION, 1983, 1982, 1977, AND 1975

Type of foundation	Number of foundations	Percent	Grants made ($000s)	Grants made Percent	Gifts received ($000s)	Gifts received Percent	Assets (market value) ($000s)	Percent	Payout[a]
				10th Edition, circa 1983					
Independent grant-making foundations	3,466	78.7%	$2,898,432	71.0%	$1,252,181	59.8%	$52,711,992	83.6%	5.5%
Company-sponsored foundations	723	16.4	803,580	19.7	615,239	29.4	2,995,589	4.7	26.8
Community foundations	134	3.0	241,636	5.9	182,758	8.7	2,773,260	4.4	8.7
Operating foundations	79	1.8	137,102	3.4	42,441	2.0	4,593,765	7.3	3.0
Total	**4,402**	**100.0%**	**$4,080,750**	**100.0%**	**$2,092,619**	**100.0%**	**$63,074,606**	**100.0%**	**6.5%**
				9th Edition, circa 1982					
Independent grant-making foundations	3,208	79.0%	$2,583,247	74.2%	$1,057,202	60.7%	$41,529,141	87.4%	6.2%
Company-sponsored foundations	701	17.3	669,361	19.2	469,114	26.9	2,491,363	5.2	26.9
Community foundations	98	2.4	175,106	5.0	173,222	9.9	2,084,344	4.4	8.4
Operating foundations	56	1.4	52,186	1.5	42,381	2.4	1,436,430	3.0	3.6
Total	**4,063**	**100.0%**	**$3,479,900**	**100.0%**	**$1,741,920**	**100.0%**	**$47,541,276**	**100.0%**	**7.3%**
				7th Edition, circa 1977					
Independent grant-making foundations	2,470	78.7%	$1,634,903	79.3%	$824,557	61.6%	$28,748,812	88.8%	5.7%
Company-sponsored foundations	545	17.4	316,382	15.3	425,959	31.8	1,625,617	5.0	19.5
Community foundations	81	2.6	88,911	4.3	70,191	5.2	1,299,369	4.0	6.8
Operating foundations	42	1.3	21,588	1.0	18,016	1.3	695,175	2.1	3.1
Total	**3,138**	**100.0%**	**$2,061,784**	**100.0%**	**$1,338,723**	**100.0%**	**$32,358,973**	**100.0%**	**6.4%**
				6th Edition, circa 1975					
Independent grant-making foundations	2,284	81.1%	1,494,512	82.7%	695,452	73.5%	26,270,407	91.7%	5.7%
Company-sponsored foundations	462	16.4	244,126	13.5	174,368	18.4	1,210,665	4.2	20.2
Community foundations	72	2.6	69,097	3.8	75,905	8.0	1,154,267	4.0	6.0
Operating foundations	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	**2,818**	**100.0%**	**$1,807,736**	**100.0%**	**$945,726**	**100.0%**	**$28,635,339**	**100.0%**	**6.3%**

Sources: The Foundation Center, *Foundation Directory*, 10th, 9th, 7th, and 6th Editions, New York, 1985, 1983, 1979 and 1977.

NA = Not available.

[a] Payout represents grants as a percentage of assets.

► In 1983, 4,402 foundations qualified for listing in *The Foundation Directory*. To qualify in 1983, foundations had to have held assets of $1 million or more or to have given grants worth more than $100,000 in the latest year of record. These foundations made up about 19 percent of all grant-making foundations, but they accounted for 97 percent of total assets and awarded 85 percent of the total grant dollars in 1983.

► Independent foundations—private grant-making foundations endowed by a family or individuals—accounted for approximately 79 percent of all foundations from 1977 to 1983.

► Between 1975 and 1983, the number of community foundations—public charities supported by a variety of donors—qualifying for the *Directory* nearly doubled, from 72 to 134.

► Between 1977 and 1983, operating foundations—foundations that do their own research or provide a service—qualifying for the *Directory* increased from 42 to 79.

► Between 1975 and 1982, the number of company-sponsored foundations—independently constituted private foundations deriving funds from a company or corporation—qualifying for the *Directory* rose from 462 to 701. Growth slowed in 1983, when 723 company-sponsored foundations qualified for the *Directory* representing (16.4 percent of all foundations).

▶ Independent foundations accounted for 89 percent of the assets of Directory foundations in 1977 and 84 percent in 1983. They gave 79 percent of the grants in 1977 and 71 percent of the grants in 1983.

▶ In 1977, company-sponsored foundations gave nearly 15 percent of the total grants; in 1983, that proportion approached 20 percent.

▶ Community foundations and operating foundations also increased their proportion of the total grants given during this period.

TABLE 3.38

FOUNDATION GIVING: DISTRIBUTION OF FOUNDATIONS IN THE *FOUNDATION DIRECTORY*, BY DECADE ESTABLISHED AND BY ASSET CATEGORY, 1983

	Asset Categories													
Decade established	All foundations		$100 million+		$25 million-$99.9 million		$10 million-$24.9 million		$5 million-$9.9 million		$1 million-$4.9 million		Under $1 million	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1980-1984	169	3.8%	2	2.1%	6	2.3%	14	3.1%	16	2.7%	88	3.8%	43	6.3%
1970-1979	516	11.7	5	5.2	24	9.0	43	9.5	59	10.0	283	12.2	102	15.0
1960-1969	973	22.1	5	5.2	39	14.7	72	16.0	139	23.6	530	22.9	188	27.6
1950-1959	1,510	34.3	21	21.9	77	29.1	149	33.0	195	33.1	816	35.2	252	37.0
1940-1949	678	15.4	28	29.2	61	23.0	103	22.8	95	16.1	327	14.1	64	9.4
1930-1939	183	4.2	19	19.8	19	7.2	39	8.6	30	5.1	67	2.9	9	1.3
1920-1929	141	3.2	7	7.3	19	7.2	16	3.5	27	4.6	69	3.0	3	0.4
1910-1919	68	1.5	8	8.3	14	5.3	9	2.0	11	1.9	25	1.1	1	0.1
1900-1909	20	0.5	0	0.0	6	2.3	1	0.2	3	0.5	10	0.4	0	0.0
Before 1900	38	0.9	0	0.0	0	0.0	1	0.2	6	1.0	31	1.3	0	0.0
Not available	106	2.4	1	1.0	0	0.0	4	0.9	9	1.5	72	3.1	20	2.9
Total	4,402	100.0%	96	100.0%	265	100.0%	451	100.0%	590	100.0%	2,318	100.0%	682	100.0%

Sources: The Foundation Center, *The Foundation Directory*, 10th Edition, New York, 1985.

▶ A total of 56 percent of the 4,402 foundations qualifying for the 10th edition of *The Foundation Directory* were formed between 1950 and 1969. Following the enactment in 1969 of restrictive legislation on foundations, foundation formation steadily declined.

▶ A total of 51 percent of all foundations with assets of $100 million were founded between 1940 and 1959; some of these foundations may not yet have received their major gifts from donors at their death.

TABLE 3.39

FOUNDATION GIVING: LARGEST FOUNDATIONS BY CATEGORY AND RANKED BY ASSETS

Private foundations: Independent grant-making

	Assets ($000s)	Grants ($000s)	Payout
Ford Foundation	$3,497,800	$122,083	3.5%
John D. and Catherine T. MacArthur Foundation	1,920,261	38,198	2.0
W.K. Kellogg Foundation	1,291,843	60,836	4.7
Robert Wood Johnson Memorial Trust	1,173,836	57,742	4.9
Pew Memorial Trust	1,171,420	45,618	3.9
Rockefeller Foundation	1,101,856	37,890	3.4
Andrew W. Mellon Foundation	1,016,626	61,066	6.0
Lilly Endowment, Inc.	889,437	24,271	2.7
Kresge Foundation	813,648	43,145	5.3
Charles Stewart Mott Foundation	569,038	26,654	4.7
Duke Endowment	551,460	32,999	6.0
McKnight Foundation	509,423	15,464	3.0
Carnegie Corporation of New York	503,943	19,535	3.9
W.M. Keck Foundation	500,000	20,000	4.0
William and Flora Hewlett Foundation	475,420	28,139	5.9
Total (15)	$15,986,011	$633,640	4.0%
Total as a percentage of all independent grant-making foundations[a]	30.3%	21.9%	-

Company-sponsored foundations

	Assets ($000s)	Grants ($000s)	Payout
Alcoa Foundation	$171,640	$ 6,656	3.9%
General Motors Foundation	123,278	31,442	25.5
AT&T Foundation	86,336	15,170	17.6
Amoco Foundation	75,804	19,380	25.6
Metropolitan Life Foundation	73,326	5,959	8.1
Exxon Education Foundation	60,014	27,361	45.6
General Electric Foundation	53,578	14,226	26.6
Shell Companies Foundation	47,610	13,895	29.2
Ford Motor Company Fund	47,579	9,931	20.9
McDonnell Douglas Foundation	42,084	4,005	9.5
Prudential Foundation	38,864	6,837	17.6
Texaco Philanthropic Foundation, Inc.	38,020	7,714	20.3
Eastman Kodak Charitable Trust	36,866	7,010	19.0
Weyerhaeuser Company Foundation	31,311	3,857	12.3
Hoover Foundation	31,248	1,177	3.8
Total (15)	$957,558	$174,620	3.9%
Total as a percentage of all independent company-sponsored foundations[b]	32.0%	21.7%	-

Operating foundations

	Assets ($000s)	Grants ($000s)	Payout
J. Paul Getty Trust	$2,684,185	$ 45,949	1.7%
Norton Simon Foundation	275,184	43	0.02
Robert A. Welch Foundation	180,571	9,694	5.4
Amherst H. Wilder Foundation	173,517	21,411	12.3
Norton Simon Art Foundation	159,276	354	0.2
Menil Foundation	92,541	1,854	2.0
Charles F. Kettering Foundation	87,039	7,669	8.8
Annie E. Casey Foundation	68,892	2,525	3.7
Russell Sage Foundation	67,203	2,323	3.5
Liberty Fund	66,671	2,080	3.1
Liberty Fund	66,671	2,080	3.1
Total (10)	$3,855,079	$ 93,902	2.4%
Total as a percentage of all operating foundations[c]	83.9%	68.5%	-

Community foundations

	Assets ($000s)	Grants ($000s)	Payout
San Francisco Foundation	$ 461,040	$ 37,753	8.2%
New York Community Trust	369,989	37,239	10.1
Cleveland Foundation	305,000	17,100	5.6
Chicago Community Foundation	176,072	17,311	9.8
Boston Foundation	115,292	8,650	7.5
Communities Foundation of Texas	89,521	11,311	12.6
Hartford Foundation for Public Giving	78,130	4,513	5.8
Saint Paul Foundation	73,859	14,121	19.1
Pittsburgh Foundation	70,021	4,289	6.1
Columbus Foundation	64,328	5,854	9.1
New Haven Foundation	54,070	3,091	5.7
Kalamazoo Foundation	44,002	3,945	9.0
Philadelphia Foundation	43,000	3,266	7.6
California Community Foundation	38,130	3,721	9.8
Metropolitan Atlanta Community Foundation	37,688	3,546	9.4
Total (15)	$2,020,142	$175,710	8.7%
Total as a percentage of all community foundations[d]	72.8%	72.7%	-

Sources: See Table 3.38, and The Foundation Center, *1,000 Largest Foundations By Assets: 1985*, New York, 1985.

[a] All private independent grant-making foundations in the *Foundation Directory*. See Table 3.37.

[b] All company-sponsored foundations in the *Foundation Directory*. See Table 3.37.

[c] All operating foundations in the *Foundation Directory*. See Table 3.37.

[d] All community foundations in the *Foundation Directory*. See Table 3.37.

Dash = Not applicable

- The 15 largest independent grant-making foundations accounted for 30 percent of the assets of all independent foundations and gave 22 percent of total grants of independent foundations in 1983.
- The 15 largest company-sponsored foundations accounted for 32 percent of the assets of all company-sponsored foundations and gave 22 percent of all the grants of corporate foundations in 1983.
- The 10 largest operating foundations held 84 percent of the assets of all operating foundations and gave 69 percent of the grants for this group of foundations in 1983.
- The 15 largest community foundations represented 73 percent of the assets of all community foundations and gave out 73 percent of all grants for that group.

TABLE 3.40

FOUNDATION GIVING: TRENDS AMONG THE LARGEST FOUNDATIONS, 1960 AND 1982

Largest foundations of 1982 (assets of $75 million+) by their asset status in 1960	Number	Percent	Mean year of establishment
Foundation not yet established	10	11.4%	1971
Assets less than $2 million	12	13.6	1953
Assets from $2 million to $5.9 million	10	11.4	1947
Assets from $6 million to $25 million	14	15.9	1944
Assets of $25+ million	42	47.7	1936
Total	88	100.0%	1945
Largest foundations of 1960 (assets of $25+ million) by their asset status in 1982			
Foundation terminated	5	7.8%	1939
Assets of less than $75 million	17	26.6	1935
Assets of $75+ million	42	65.6	1936
Total	64	100.0%	1936

Source: Nelson, "The Economic History of Philanthropic Foundations in the United States," part of the Foundation Formation, Growth, and Termination Study, sponsored by the Yale University Program on Non-Profit Organizations and the Council on Foundations, forthcoming from the Foundation Center, 1986.

Note: This is a preliminary table.

- Of the 88 largest foundations with assets of $75 million in 1982, 42 were among the 64 largest foundations with assets of $25 million or more in 1960. Their mean year of establishment was 1936.
- Of the 88 largest foundations in 1982, 36 were established by 1960, but they had assets under $25 million and were not among the 64 largest foundations in that year. Foundations may be founded during a donors lifetime, but the donor may choose to give the bulk of the contribution to the foundation by bequest. Therefore, many foundations that were small in 1960 are among the largest foundations today.
- Ten of the 88 largest foundations in 1982 were established after 1960. Their mean year of establishment was 1971.

TABLE 3.41

FOUNDATION GIVING: PERIOD OF ORIGIN OF ENDOWMENT FOR TOP 55 INDEPENDENT GRANT-MAKING FOUNDATIONS IN 1982

	Percentage of 1982 endowment originating by gift or bequest							
Foundation	Year established	1982 endowment ($ millions)	Before 1940	1940-1951	1952-1960	1961-1969	1970-1979	1980-1982
Ford Foundation	1936	$ 2,737.3	8%	92%	0%	0%	0%	0%
Robert Wood Johnson Foundation	1936	1,415.2	1	1	11	0	87	0
Kellogg Foundation	1930	1,046.2	84	8	8	0	0	0
Rockefeller Foundation	1913	1,014.4	100	0	0	0	0	0
Pew Memorial Trust	1948	929.0	0	93	7	0	0	0
MacArthur Foundation	1970	928.0	0	0	0	0	100	0
Andrew W. Mellon Trust	1940	917.3	0	10	14	14	62	0
Lilly Endowment	1937	776.4	7	84	2	0	7	0
Kresge Foundation	1924	681.5	67	32	0	1	0	0
William and Flora Hewlett Foundation	1966	531.5	0	0	0	3	27	70
Stewart Mott Foundation	1926	471.3	6	14	10	60	10	0
Duke Endowment	1924	470.0	97	0	0	3	0	0
Keck Foundation	1959	460.0	0	0	0	1	99	0
Richard K. Mellon Foundation	1947	426.1	0	24	30	18	28	0
McKnight Foundation	1953	411.8	0	0	1	2	50	47
Carnegie Corporation	1911	380.7	100	0	0	0	0	0
Mabee Foundation	1948	359.1	0	10	0	90	0	0
Gannett Foundation	1936	352.3	1	0	99	0	0	0
Sloan Foundation	1934	316.2	15	8	61	15	0	1
Houston Endowment	1937	291.1	42	33	15	10	0	0
Starr Foundation	1955	259.3	0	0	1	6	93	0
S.R. Noble Foundation	1945	257.7	0	99	0	0	1	0
Meadows	1948	250.0	0	0	0	48	0	52
Edna McConnell Clark Foundation	1969	242.2	0	0	1	82	12	5
Bush Foundation	1953	241.9	0	0	2	62	36	0
Irvine Foundation	1937	235.8	99	1	0	0	0	0
Kaiser Family Foundation	1948	219.9	0	0	40	36	24	0
Tandy	1978	218.9	0	0	0	0	5	95
Moody Foundation	1942	215.8	0	1	99	0	0	0
Brown	1951	210.0	0	0	3	97	0	0
Weingart Foundation	1951	193.8	0	0	8	2	86	4
J.H. Pew Trust	1957	191.0	0	0	2	15	83	0
Surdna Foundation	1917	179.5	64	0	0	0	0	36
Joyce Foundation	1948	177.3	0	0	1	1	98	0
William Penn Foundation	1945	169.3	0	17	35	48	0	0
Rockefeller Brothers	1940	164.3	0	0	77	14	9	0
DeRance Foundation	1946	151.4	0	0	100	0	0	0
S. Fairchild Foundation	1955	148.3	0	0	0	20	80	0
William R. Hearst Foundation	1949	144.5	0	0	100	0	0	0
Welch Foundation	1952	144.5	0	0	100	0	0	0
Fred C. Meyer Charitable Trust	1978	142.8	0	0	0	0	0	100
Murdoch Trust	1975	140.7	0	0	0	0	100	0
Hartford	1942	137.8	0	0	100	0	0	0
Commonwealth	1918	134.5	60	37	3	0	0	0
M.P. Myrin	1957	130.7	0	0	0	0	100	0
Olin Foundation	1938	124.7	10	70	20	0	0	0
Sarah M. Scaife Foundation	1941	122.1	0	12	15	73	0	0
J.G. Brown	1943	118.1	0	1	2	3	94	0
A.G. Carter	1945	118.1	0	50	50	0	0	0
Northwest Area Foundation	1934	116.1	1	20	75	4	0	0
C.A. Dana	1950	111.0	0	2	33	65	0	0
Ahmanson	1952	108.4	0	0	0	88	12	0
Herrick	1949	98.9	0	10	71	4	15	0
H & G Dow	1937	95.2	16	55	29	0	0	0
J.N. Pew Trust	1963	93.4	0	0	0	100	0	0
Total	-	$20,723.3	20%	26%	13%	11%	25%	5%

Sources: See Table 3.40.

Note: This is a preliminary table.

Dash = Not applicable.

TABLE 3.41

▶ Only 20 percent of the 55 largest independent grant-making foundations in 1982 had received the bulk of their endowment before 1940. In fact, only 5 foundations had received more than 80 percent of their endowment before 1940.

▶ From 1940 to 1951, 26 percent of the 55 largest grant-making foundations received the bulk of their endowment. Between 1970 to 1979 another 25 percent of these foundations received the bulk of their endowment.

▶ Many of these foundations were founded long before the bulk of their endowment was given. Only 2 of the 12 foundations that received more than 50 percent of their endowment from 1970 to 1979 were founded during that same decade: 6 were founded between 1950 and 1959, 3 were established between 1940 and 1949, and one was established between 1930 and 1939.

TABLE 3.42
FOUNDATION GIVING: FOUNDATION FUNDING TRENDS BY CATEGORY OF ACTIVITY, 1980-1984

	1980		1981		1982		1983		1984	
Category	Amount (000s)	Percent	Amount (000s)	Percent	Amount (000s)	Percent	Amount (000s)	Percent	Amount (000s)	Percent
Cultural activities	$160,794	13.5%	$192,560	15.3%	$208,717	14.0%	$277,307	15.4%	$229,020	14.0%
Education	266,431	22.4	265,851	21.1	335,631	23.9	286,006	16.0	285,587	17.4
Health	298,919	25.1	282,532	22.5	312,069	20.9	389,521	21.7	390,445	23.7
Religion	28,719	2.4	24,679	2.0	27,907	1.9	37,504	2.1	38,351	2.3
Science	75,446	6.4	86,728	6.9	96,281	6.5	160,917	9.0	122,880	7.5
Social science	67,977	5.7	75,431	6.0	102,363	6.9	132,062	7.4	126,326	7.6
Welfare	292,493	24.5	329,276	26.2	387,278	25.9	509,203	28.4	454,101	27.5
Total	$1,190,800	100.0%	$1,257,056	100.0%	$1,490,246	100.0%	$1,792,519	100.0%	$1,646,711	100.0%

Sources: See Table 3.38.

▶ Foundation funding patterns have varied slightly over the years. With federal budget cuts in the 1980s foundations increased their funding of welfare programs from 24.5 percent of total grants in 1980 to 27.5 percent in 1984, and for social science research from 5.7 percent in 1980 to 7.6 percent in 1984.

▶ Foundation support for education declined from 23.9 percent of total grants in 1982 to 17.4 percent in 1984.

▶ Foundation grants to health-related activities declined from 25 percent of total grants in 1980 to 21 percent in 1982, but increased again to almost 24 percent in 1984.

▶ Funding of cultural activities and religion remained fairly stable between 1980 and 1984.

▶ Funding for science rose from 6.4 percent of total foundation grants in 1980 to 9 percent in 1983, but declined again to 7.5 percent in 1984.

TABLE 3.43

FOUNDATION GIVING: DISTRIBUTION OF REPORTED GRANTS BY TYPE OF RECIPIENT ORGANIZATION, 1982-1984

	Value of grants ($000s)						Number of grants					
	1982		1983		1984		1982		1983		1984	
Category	Amount	Percent	Amount	Percent	Amount	Percent	Number	Percent	Number	Percent	Number	Percent
Educational institutions	$634,450	42.5%	$608,239	33.9%	$578,089	35.1%	8,316	30.6%	9,454	29.4%	9,887	29.1%
Private universities and colleges	345,366	23.1	322,681	18.0	278,919	16.9	3,919	14.4	4,484	13.9	4,210	12.4
Public universities and colleges	127,045	8.5	107,301	6.0	138,943	8.4	1,724	6.4	2,172	6.8	2,492	7.3
Graduate schools	84,741	5.7	119,748	6.6	106,281	6.5	1,114	4.1	1,229	3.8	1,585	4.7
Junior/community colleges	4,388	0.3	5,395	0.3	7,082	0.4	91	0.3	139	0.4	186	0.5
Schools	72,909	4.9	53,116	3.0	46,863	2.9	1,468	5.4	1,430	4.5	1,414	4.2
Contract service agencies	276,505	18.5	403,071	22.5	353,694	21.5	7,981	29.4	9,600	29.8	9,673	28.4
Hospitals & medical care facilities	120,452	8.1	130,261	7.3	114,161	6.9	1,660	6.1	1,896	5.9	1,903	5.6
Research institutions	77,373	5.2	165,035	9.2	147,311	8.9	1,101	4.1	1,357	4.2	1,453	4.3
Associations & professional societies	94,834	6.3	133,741	7.5	148,212	9.0	2,600	9.6	3,589	11.2	3,904	11.5
Museums and historical societies	88,175	5.9	88,121	4.9	90,908	5.5	1,134	4.2	1,258	3.9	1,300	3.8
Performing arts groups	60,611	4.1	82,163	4.6	75,598	4.6	1,668	6.1	1,910	5.9	2,031	6.0
Government agencies	47,394	3.2	46,104	2.6	51,960	3.2	669	2.5	835	2.6	947	2.8
Community funds	42,983	2.9	60,387	3.4	64,978	3.9	718	2.7	993	3.1	1,079	3.2
Libraries	26,511	1.8	36,940	2.1	24,621	1.5	370	1.4	378	1.2	421	1.2
Churches and temples	24,800	1.7	24,342	1.4	22,939	1.4	572	2.1	539	1.7	745	2.2
Total	$1,494,089[a]	100.0%	$1,778,404	100.0%	$1,672,471	100.0%	26,789	100.0%	31,809	100.0%	33,343	100.0%

Sources: See Table 3.38

Note: Totals differ slightly from those on Table 3.44 because some grants may be allocated to organizations in two categories. This double counting usually does not occur when grants are divided by type of activity. In addition, some grants may be assigned to types of organizations but not to categories of grants.

▶ There were some changes in the distribution of the amount and number of grants made to recipient institutions from 1982 to 1984. The major change in total grant dollars was to education (down seven percentage points from 1982 to 1984). Hardest hit were private universities and colleges (down six percentage points from 1982 to 1984) and schools (down two percentage points).

▶ Recipients whose grant money increased from 1982 to 1984 were contract service agencies (up three percentage points), research institutions (up four percentage points), associations and professional societies (up three percentage points), and community funds (up one percentage point).

▶ Even though there were changes in the proportion of total grant dollars awarded to different types of recipient institutions, the number of grants made varied only slightly as a proportion of total grants between 1982 and 1984.

TABLE 3.44
FOUNDATION GIVING: TYPE OF SUPPORT AWARDED, 1984 AND 1982

	1984					1982				
	Value of grants		Number of grants			Value of grants		Number of grants		
Type of support	Amount (000s)	Percent	Number	Percent	Average size of grant	Amount (000s)	Percent	Number	Percent	Average size of grant
Capital support	$331,705	20.1%	4,743	13.9%	$69,936	363,437	24.4%	4,576	16.9%	$79,422
Continuing support	434,650	26.4	9,540	28.0	45,561	315,735	21.2	5,369	19.8	72,432
Endowments	62,960	3.8	414	1.2	152,078	119,081	8.0	405	1.5	294,027
Fellowships & scholarships	68,555	4.2	1,906	5.6	35,968	81,936	5.5	1,557	5.7	52,624
Matching/challenging grants	91,539	5.6	1,284	3.8	71,292	116,768	7.8	874	3.2	133,602
Program development	580,971	35.3	10,447	30.7	55,611	412,486	27.7	7,585	28.0	54,381
General/operating funds	296,907	16.4	7,098	20.8	38,026	156,618	10.5	3,959	14.6	39,599
Research	230,538	14.0	2,820	8.3	81,751	143,194	9.6	2,419	8.9	59,195
Total grants reported	$1,646,711[a]	125.8%[b]	34,040	112.3%[b]	$48,376	$1,490,246	114.7%[b]	27,121	98.6%[b]	$54,9[illegible]

Sources: See Table 3.38

[a] Total grants reported does not equal the sum of the column because some grants are included in two categories.

[b] Total does not equal 100 percent because some grants are included in two categories.

▶ In 1982, the three main types of support as a proportion of total grant support given by the Directory foundations were program development (28 percent), capital support (24 percent), and continuing support (21 percent).

▶ In 1984, 35 percent of total grants were for program development, 26 percent for continuing support, and 20 percent for capital development.

▶ Foundations have increased their proportion of total grants from 1982 to 1984 in program development (up seven percentage points), continuing support (up five percentage points), and general or operating funds (up six percentage points). These increases are also reflected in the proportion of grants made in these areas from 1982 to 1984: program development grants (up three percentage points); continuing support grants (up eight percentage points); and general operating grants (up six percentage points).

▶ From 1982 to 1984, the types of support that declined as a proportion of total grants were capital support (down four percentage points); endowments (down four percentage points); fellowships and scholarships (down one percentage point); and matching and challenging grants (down two percentage points).

TABLE 3.45
FOUNDATION GIVING: REPORTED GRANTS DESIGNATED FOR SPECIAL POPULATIONS, 1984-1981

	1981		1982		1983		1984	
Group	Amount (000s)	Percentage of total grants	Amount (000s)	Percentage of total grants	Amount (000s)	Percentage of total grants	Amount (000s)	Percentage of total grants
Aged	$18,011	1.4%	$31,197	2.1%	$38,959	2.2%	$53,583	3.3%
Alcohol and drug abusers	3,159	0.3	8,077	0.5	9,413	0.5	8,124	0.5
Children and youth	123,553	9.8	132,381	8.9	181,303	10.1	177,474	10.8
Criminals and ex-offenders	8,435	0.7	8,763	0.6	9,347	0.5	9,355	0.6
Handicapped persons	22,063	1.8	30,234	2.0	35,456	2.0	39,060	2.4
Men and boys	12,155	1.0	13,223	0.9	22,413	1.3	16,284	1.0
Minorities								
General	23,361	1.9	33,676	2.3	29,003	1.6	27,416	1.7
Asian-Americans	1,471	0.1	2,156	0.1	1,932	0.1	4,041	0.2
Blacks	35,697	2.8	32,377	2.2	46,276	2.6	49,179	3.0
Hispanics	10,183	0.8	14,782	1.0	17,333	1.0	15,663	1.0
Native Americans	4,913	0.4	4,043	0.3	5,743	0.3	5,995	0.4
Women and girls	36,670	2.9	37,528	2.5	49,884	2.8	59,736	3.6

Sources: See Table 3.38.

▶ Grants to special populations from 1981 to 1984 as a proportion of total grants increased to the aged (up two percentage points), to children and youths (up one percentage point), to women and girls (up nearly one percentage point), and to the handicapped (up nearly one percentage point).

TABLE 3.46

CORPORATE CONTRIBUTIONS: CORPORATE CHARITABLE CONTRIBUTIONS AND INCOME BEFORE AND AFTER TAXES, 1955-1984[a]

Year	Charitable contributions ($ millions)	Income before taxes ($ millions)	Charitable contributions as percentage of income before taxes	Income after taxes ($ millions)	Charitable contributions as percentage of income after taxes
1955	$415	$49,200	0.84%	$27,200	1.53%
1956	418	49,600	0.84	27,600	1.51
1957	419	48,100	0.87	26,700	1.57
1958	395	41,900	0.94	22,900	1.72
1959	482	52,600	0.92	28,900	1.67
1960	482	49,800	0.97	27,100	1.78
1961	512	49,700	1.03	26,900	1.90
1962	595	55,000	1.08	31,100	1.91
1963	657	59,600	1.10	33,400	1.97
1964	729	66,500	1.10	38,500	1.89
1965	785	77,200	1.02	46,300	1.70
1966	805	83,000	0.97	49,400	1.63
1967	830	79,700	1.04	47,200	1.76
1968	1,005	88,500	1.13	49,400	2.03
1969	1,055	86,700	1.22	47,200	2.24
1970	797	75,400	1.06	41,300	1.93
1971	865	86,600	1.00	49,000	1.76
1972	1,009	100,600	1.00	58,900	1.71
1973	1,174	125,600	0.93	76,600	1.53
1974	1,200	136,700	0.88	85,100	1.41
1975	1,202	132,100	0.91	81,500	1.47
1976	1,487	166,300	0.89	102,500	1.45
1977	1,791	194,700	0.92	122,000	1.47
1978	2,084	229,100	0.91	145,900	1.43
1979	2,288	252,700	0.91	165,100	1.39
1980	2,359	234,600	1.01	149,800	1.57
1981	2,514	221,200	1.14	140,100	1.80
1982	2,906	165,500	1.76	104,800	2.77
1983	3,300(est.)[b]	203,200	1.62	127,400	2.59
1984	3,800(est.)[b]	235,700	1.61	145,900	2.61

Sources: The Conference Board, *Annual Survey of Corporate Contributions, 1985 Edition*, and Advance Tables, *1986 Edition*, New York, 1985 and 1986.

Note: Figures in this table reflect contributions and income of all U.S. corporations.

[a] Reflects total consolidated corporate income before and after taxes.

[b] From Council for Financial Aid to Education.

- ▶ As a percentage of corporate income before taxes, corporate charitable contributions have increased from 0.84 percent of pretax income in 1955 to 1.61 percent in 1984.
- ▶ Corporate contributions increased from $415 million in 1955 to an estimated $3.8 billion in 1984.
- ▶ Although corporate profits have fluctuated with the state of the economy, corporate contributions have tended to increase in recent years. For example, corporate income before taxes declined from 1980 to 1982, but corporate contributions for philanthropic purposes increased by nearly one-quarter. As a result, contributions as a proportion of corporate income before taxes rose from 1.01 percent in 1980 to 1.76 percent in 1982, but declined to 1.61 percent in 1984.

TABLE 3.47

CORPORATE CONTRIBUTIONS: CHARITABLE CONTRIBUTIONS AS A PERCENTAGE OF PRETAX INCOME, 1983 AND 1977

1983						
Charitable contributions as a percentage of pretax income	All companies[a]	Manu-facturing	Banking	Insurance	Utilities and telecom-munications	Other service
0-0.24%	28	5	-	2	21	-
0.25-0.49	45	14	-	3	27	1
0.50-0.74	39	25	-	-	10	4
0.75-0.99	56	29	7	5	6	9
1.0-1.49	58	34	13	4	2	5
1.5-1.99	54	30	7	11	3	3
2.0-2.99	39	18	10	7	-	-
3.0-3.99	21	10	5	2	1	3
4.0-4.99	8	5	1	2	-	-
5.0+	20	10	2	5	1	2
Total	368	180	45	41	71	31

1977		
Charitable contributions as a percentage of net income[b]	Corporations with net income Number	 Percent
0.0	918,881	64.5%
0.0-0.2%	287,202	20.2
0.2-0.4	15,364	1.1
0.4-0.6	14,637	1.0
0.6-0.8	11,383	0.8
0.8-1.0	9,445	0.7
1.0-1.2	7,642	0.5
1.2-1.4	8,324	0.6
1.4-1.6	7,771	0.5
1.6-1.8	6,694	0.5
1.8-2.0	7,563	0.5
2.0-2.5	16,985	1.2
2.5-3.0	12,527	0.9
3.0-4.0	21,162	1.5
4.0-5.0	20,265	1.4
5.0+	58,718	4.1
Total	1,424,563	100.0%

Sources: The Conference Board, *Annual Survey of Corporate Contributions, 1985 Edition*, New York, 1985, Council for Financial Aid to Education, *A Profile of Corporate Contributions*, New York, 1982.

[a] Figures in this table were derived from survey data from a sample of U.S. corporations weighted toward larger companies.

[b] The IRS definition of net income of corporations used here is the difference between gross taxable receipts and business deductions allowed by the tax code.

▶ More than 1.4 million corporations reported net income in 1977, the date of the most recent analysis of total corporations and their contributions as a percentage of net income as defined by the Internal Revenue Service.

▶ A total of 85 percent of these corporations reported contributing nothing or less than 0.2 percent of their net income to charitable organizations.

▶ In contrast, 58,718 corporations—4.1 percent of all corporations reporting net income—gave 5 percent or more of their net income to charitable organizations; another 70,939 corporations—5 percent of all corporations reporting net income—gave between 2 and 5 percent of their net income to charity.

▶ In a recent national survey of corporate contributions among larger corporations by the Conference Board, in 1983, 88 corporations (approximately 24 percent) gave 2 percent or more of their pretax net income to charity. The Conference Board uses a different definition of pretax net income (as defined by accountants), so comparisons with the IRS reported numbers are not possible.

TABLE 3.48

CORPORATE CONTRIBUTIONS: CORPORATE ASSISTANCE EXPENDITURES NOT TAKEN AS CHARITABLE CONTRIBUTIONS, 1982-1984

	259 cases reported in 1984				
	Companies reporting[a]		Assistance expenditures		
Expenditure elements	Number	Percent	Amount (000s)	Percent	Median amount (dollars)[b]
Cash disbursements to 501 (C) (3) organizations not reported as charitable contributions	168	64.9%	$165,459	55.9%	$ 70,910
Loan of company personnel	70	27.0	18,550	6.3	41,499
Donations of product and property not reported as charitable contributions	72	27.8	53,519	18.1	25,984
Uses of corporate facilities or services	69	26.6	12,046	4.1	20,006
Loans at below-market yields	18	6.9	6,001	2.0	80,167
Administrative cost for contribution function	178	68.7	40,354	13.6	82,455
Total			$295,929	100.0%	$128,247

	286 cases reported in 1982				
	Companies reporting[a]		Assistance expenditures		
Expenditure elements	Number	Percent	Amount (000s)	Percent	Median amount (dollars)[b]
Cash disbursements to 501 (C) (3) organizations not reported as charitable contributions	173	60.5%	$ 74,805	28.9%	$42,250
Loan of company personnel	80	28.0	22,887	8.9	25,000
Donations of product and property not reported as charitable contributions	100	35.0	86,019	33.3	25,000
Uses of corporate facilities or services	64	22.4	3,985	1.5	13,000
Loans at below-market yields	29	10.1	31,903	12.3	50,000
Administrative cost for contribution function	181	63.3	38,812	15.1	75,000
Total			$258,411	100.0%	$92,500

	131 matched cases reported in 1982-1983[c]					
	Companies reporting[a]		Assistance expenditures			
Expenditure elements	Number	Percent	Amount (000s)		Median amount (dollars)[b]	
			1982	1983	1982	1983
Cash disbursements to 501 (C) (3) organizations not reported as charitable contributions	66	50.4%	$ 52,331	$ 35,851	$ 55,975	$ 74,538
Loan of company personnel	36	27.5	17,958	20,291	100,000	120,750
Donations of product and property not reported as charitable contributions	35	26.7	64,730	28,984	25,308	29,910
Uses of corporate facilities or services	31	23.7	2,401	2,370	10,004	12,000
Loans at below-market yields	10	7.6	4,979	3,745	41,000	30,650
Administrative cost for contribution function	85	64.9	23,114	25,698	97,945	100,013
Total			$185,363	$151,505	$185,000	$220,811

Sources: The Conference Board, *Annual Survey of Corporate Contributions, 1984* and *1985 Editions*, New York, 1984 and 1985.

Note: Corporate assistance expenditures go to charitable and other groups in order to promote social well being. These expenditures are not taken by companies as charitable deductions.

[a] Figures in this table were derived from survey data from a sample of U.S. corporations weighted toward larger companies.

[b] The amount of dollars associated with the company representing the 50th percentile.

[c] Matched cases refer to companies that reported in both years.

- ▶ For the past few years, the Conference Board has surveyed corporations to determine the scope of corporate assistance expenditures given to charitable organizations but not reported as charitable contributions for tax purposes.
- ▶ In 1984, 65 percent of the corporations who responded to these questions reported giving $165 million in cash contributions that they did not report as charitable contributions on their tax forms.
- ▶ Of the 259 companies reporting for 1984, approximately 27 percent of these corporations reported loaning personnel at an estimated cost of almost $19 million.
- ▶ In 1984, 28 percent of these corporations donated products that were worth $54 million but were not reported as charitable contributions.
- ▶ Other forms of corporate assistance were uses of corporate facilities or services, loans at below market yields, and administrative costs for their contribution function.

TABLE 3.49

CORPORATE CONTRIBUTIONS: NUMBER AND PERCENTAGE DISTRIBUTION OF CORPORATIONS FILING FEDERAL INCOME TAX RETURNS, AMOUNT AND PERCENTAGE DISTRIBUTION OF CONTRIBUTIONS, BY SIZE OF CONTRIBUTIONS, 1977

	Contributions		All corporations		Corporations with net income		Corporations with net loss[a]	
Size of contributions	Amount (000s)	Percent	Number	Percent	Number	Percent	Number	Percent
Zero[b]	0	0.00%	1,716,820	76.58%	918,881	64.50%	797,939	97.62%
Less than $500[b]	$8,946	0.50	356,769	15.91	339,563	23.84	17,206	2.11
$500-$1,000[b]	5,754	0.32	8,805	0.39	8,603	0.60	202	0.02
$1,000-$5,000	206,229	11.51	131,824	5.88	130,252	9.14	1,572	0.19
$5,000-$10,000	85,896	4.80	13,322	0.59	13,161	0.92	161	0.02
$10,000-$25,000	122,515	6.84	8,393	0.37	8,162	0.57	231	0.03
$25,000-$50,000	91,185	5.09	2,679	0.12	2,651	0.19	28	*
$50,000-$100,000	106,014	5.92	1,577	0.07	1,571	0.11	6	*
$100,000-$150,000	63,367	3.54	520	0.02	515	0.04	5	*
$150,000-$200,000	50,004	2.79	292	0.01	275	0.02	17	*
$200,000-$250,000	31,621	1.77	144	0.01	144	0.01	0	*
$250,000-$500,000	127,003	7.09	359	0.02	351	0.02	8	*
$500,000-$1,000,000	161,727	9.03	230	0.01	229	0.02	1	*
$1,000,000+	730,983	40.81	208	0.01	205	0.01	3	*
Total	$1,791,244	100.00%	2,241,942	100.00%	1,424,563	100.00%	817,379	100.00%

Sources: Council for Financial Aid to Education, *A Profile of Corporate Contributions*, New York, 1982.

*Less than 0.01 percent.

[a] Net income (or net loss) defined as the difference between gross taxable receipts and the business deduction allowed by the tax code, is approximately equal to "taxable income." Depending on circumstances, such figures may either larger or smaller than "pretax net income" as defined by generally accepted accounting principles.

[b] Most of the entries in the corporate file used to generate this table are rounded to thousands of dollars. There are, however, some important exceptions that result from the fact that there are included in the file the tax returns of 423,204 Subchapter S corporations (small-business corporations that elect to be taxed as partnerships). For these returns, the entries are not rounded; the contribution amounts under $1,000, therefore, pertain only to Subchapter S corporations. For all tax returns other than those of Subchapter S corporations, entries of less than $500 were rounded to zero and those between $500 and $1,000 were rounded to $1,000. An indicator was used to differentiate zero entries from those rounded to zero; although a count of corporations with rounded entries can be made, the amount of their contributions cannot be determined.

▶ The last study on corporate contributions reported for all U.S. corporations was from the 1977 corporate tax returns as reported to the Internal Revenue Service. At that time, there were 2.2 million corporations; and 525,000 of them (23.4 percent) reported charitable contributions amounting to $1.8 billion.

▶ A total of 1.4 million of these corporations reported net income, and 817,000 reported a loss. The 208 corporations that reported giving a million dollars or more represented 0.01 percent of all corporations, and their contributions represented 41 percent of total corporate contributions.

▶ Most smaller corporations do not report contributions on their tax forms. Although research has not been done to confirm the extent of the pattern, it is estimated that many thousands of corporations who make contributions report them as business expenses. Thus, total corporate giving is understated.

TABLE 3.50

CORPORATE CONTRIBUTIONS: METHODS OF REPORTING CHARITABLE GIVING BY SIZE OF COMPANY, 1982

		Size of company					
		Fortune 1300		Intermediate[a]		Smaller[b]	
Reporting method	Total	Give less than 1%[c]	Give 1% or more[c]	Give less than 1%[c]	Give 1% or more[c]	Give less than 1%[c]	Give 1% or more[c]
All/virtually all contributions reported as charitable giving	57%	69%	36%	60%	62%	57%	64%
Most contributions reported as charitable giving	31	19	56	28	26	30	33
Some contributions reported as charitable giving	4	0	0	3	6	7	0
No contributions reported as charitable giving	3	0	5	3	6	3	0
Don't know/no answer/give nothing	5	12	3	6	0	3	3
Total	100%	100%	100%	100%	100%	100%	100%

Sources: Arthur H. White and John S. Bartolomeo, "The Future of Corporate Philanthropy in America," in Council on Foundations, *Corporate Philanthropy*, Washington, 1982.

[a] $50 million to $100 million of annual sales.

[b] $25 million to $49 million of annual sales.

[c] Percentage of pretax income.

▶ In 1982, the Council on Foundations commissioned Yankelovich, Skelly and White, Inc., to conduct a major national survey of CEOs and their attitudes toward corporate philanthropy. The sample included Fortune 1300 corporations as well as intermediate and smaller corporations.

▶ When corporations were asked whether all their corporate contributions were reported as charitable giving, 38 percent of corporations reported that some of their contributions were were taken as other business expenditures. This practice is particularly pronounced among the larger Fortune 1300 companies who report giving more than 1 percent of their incomes to charity.

TABLE 3.51

CORPORATE CONTRIBUTIONS: BENEFICIARIES OF COMPANY SUPPORT, 1983 AND 1977

	Conference Board Survey, 1983						
Industry	Number of companies	Total giving ($000s)	Health and human services	Education	Arts and culture	Civic and community	Other
Manufacturing							
Chemicals	32	$163,532	19.9%	43.4%	6.9%	21.9%	7.9%
Electrical machinery	36	165,184	29.1	51.2	10.3	5.4	4.0
Fabricated metals	11	5,764	38.0	34.0	10.8	12.7	4.5
Food, beverage and tobacco	26	86,949	38.1	33.4	13.2	9.8	5.6
Machinery, nonelectrical	18	21,502	36.5	35.0	9.1	13.1	6.3
Mining	3	691	*	*	*	*	*
Paper	17	22,536	38.0	36.1	7.9	12.1	5.9
Petroleum and gas	20	258,467	17.4	46.8	13.4	18.4	4.1
Pharmaceuticals	17	59,924	29.1	31.8	6.7	9.6	22.8
Primary metals	16	35,288	28.4	44.3	9.2	15.8	2.3
Printing and publishing	13	21,892	24.4	32.5	19.8	16.7	6.6
Rubber and miscellaneous plastic	7	7,110	*	*	*	*	*
Stone, clay and glass	10	13,389	25.9	28.9	20.5	20.9	3.8
Textiles and apparel	11	11,241	35.4	33.7	4.6	18.6	7.6
Transportation equipment	17	89,789	34.7	44.4	8.1	8.0	4.8
Total manufacturing	254	$963,260	26.1%	43.2%	10.5%	14.0%	6.2%
Nonmanufacturing							
Banking	55	73,291	37.9	26.7	15.2	13.0	7.1
Business services	10	10,970	22.2	40.2	13.3	18.9	5.4
Engineering and construction	2	977	*	*	*	*	*
Finance	7	12,203	*	*	*	*	*
Insurance	52	57,291	35.5	30.9	11.9	17.5	4.2
Retail and wholesale trade	14	38,200	41.8	9.7	19.8	24.3	4.4
Telecommunications	16	62,381	37.1	29.4	11.9	15.3	6.4
Transportation	9	13,069	29.9	29.8	14.0	21.9	4.4
Utilities	52	46,774	40.6	24.1	10.2	19.5	5.6
Total nonmanufacturing	217	$315,156	36.8	26.3	13.9	17.1	5.8
Total	471	$1,278,416	28.7%	39.0%	11.4%	14.8%	6.1%

	Internal Revenue Service data, 1977			
	Corporations with net income		Contributions	
Industry	Number	Percent	Amount (000s)	Percent
Agriculture	38,440	2.7%	$11,138	0.6%
Mining	10,964	0.8	21,133	1.2
Contract construction	135,954	9.5	48,600	2.8
Manufacturing	159,004	11.2	911,920	51.5
Transportation	39,477	2.8	39,691	2.2
Communication	6,858	0.5	57,740	3.3
Electric, gas & sanitary services	5,731	0.4	55,057	3.1
Wholesale trade	169,707	11.9	128,334	7.3
Retail trade	273,845	19.2	155,928	8.8
Finance, insurance & real estate	270,566	19.0	264,069	15.0
Services	314,027	22.0	75,213	4.3
Total	1,424,563	100.0%	$1,765,825	100.0%

Sources: See Table 3.47.

Note: Totals include all cases but details omit industries with fewer than 8 cases. Figures for Conference Board study were derived from survey data for a sample of U.S. corporations weighted toward larger companies.

TABLE 3.51

▶ In 1977, data from the Internal Revenue Service reveal that nearly 52 percent of all corporate contributions came from manufacturing companies; 15 percent came from finance, insurance, and real estate; and another 16 percent from wholesale and retail trade.

▶ In 1983, the results of a national survey of corporate contributions conducted by the Conference Board among larger corporations showed that 75 percent of corporate contributions came from manufacturing companies; 12 percent from finance, banking and insurance; and 3 percent from the wholesale and retail trade. Generally, the Conference Board sample cannot be compared with the IRS studies, since the IRS tabulations include all corporations, whereas the Conference Board sample, although national in scope, is heavily weighted toward the largest corporations.

▶ The Conference Board survey in 1983 showed that manufacturing companies generally gave the largest proportion of their total contributions to education (43 percent) and health (26 percent); they gave smaller proportions to civic and community activities (14 percent) and to arts and culture (11 percent).

▶ In contrast, most of the contributions from nonmanufacturing companies went to health (37 percent), education (26 percent), civic and community activi-ties (17 percent), and arts and culture (14 percent).

TABLE 3.52

CORPORATE CONTRIBUTIONS: CHARITABLE ORGANIZATIONS (OTHER THAN UNITED WAY ORGANIZATIONS) RECEIVING HIGHEST AMOUNT OF CASH GIFTS, 1982

Type of charitable organization	Total	Size of company: Fortune 1300	Size of company: Intermediate[a]	Size of company: Smaller[b]
Education	47%	56%	35%	47%
Health	18	10	21	22
Arts and culture	15	16	17	12
Social welfare	12	9	18	10
Economic development	2	1	3	1
International	1	0	1	3
Conservation and environment	*	1	0	0
Recreation	*	0	1	0
Other	1	0	0	4
No answer	4	7	4	1
Total	100%	100%	100%	100%

Sources: See Table 3.50.

*Less than 1 percent.

[a] Annual sales of $50 million to $100 million.

[b] Annual sales of $25 million to $49 million.

▶ In 1982, the Yankelovich, Skelly and White national survey of corporations showed that the distribution of total contributions by major areas varied by size of corporations.

▶ Although nearly half of all corporate contributions (47 percent) went to education, Fortune 1300 companies gave a higher proportion of their contributions to support education (56 percent) than did smaller companies (47 percent) and intermediate companies (35 percent).

▶ Intermediate and smaller companies gave a higher proportion of their contributions to health (over 20 percent) than did the Fortune 1300 companies (10 percent).

▶ Larger and intermediate size companies gave a larger proportion of their contributions to arts and culture (more than 15 percent) than did smaller corporations (12 percent).

▶ Intermediate companies gave a much larger proportion of their contributions to social welfare (18 percent) than did smaller corporations (10 percent) or Fortune 1300 companies (9 percent).

TABLE 3.53

CORPORATE CONTRIBUTIONS: RECIPIENTS OF CORPORATE CONTRIBUTIONS, 1982-1984

	1982 534 companies		1983 471 companies		1984 415 companies	
Recipient	Amount (millions)	Percent	Amount (millions)	Percent	Amount (millions)	Percent
Health and human services	$397.3	31.0%	$367.6	28.7%	$399.9	27.7%
Education	522.2	40.7	498.8	39.0	561.7	38.9
Arts and culture	145.8	11.4	145.2	11.4	154.7	10.7
Civic and community activities	149.3	11.7	188.8	14.8	271.6	18.8
Other	67.0	5.2	78.0	6.1	56.4	3.9
Total	$1,281.6	100.0%	$1,278.4	100.0%	$1,444.3	100.0%

Sources: See Table 3.46.

Note: Figures in this table were derived from survey data from a sample of U.S. corporations weighted towards larger companies.

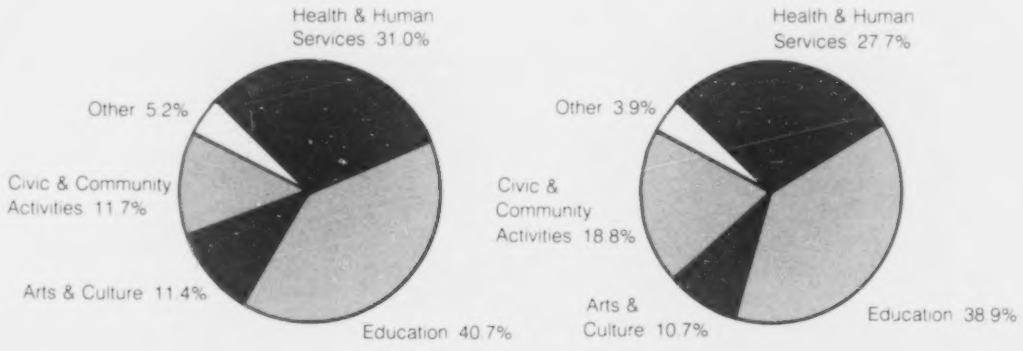
▶ According to recent Conference Board surveys on corporate contributions, the pattern of overall contributions changed slightly between 1982 and 1984. The proportion of total contributions given to health and human services and education declined somewhat.

▶ From 1982 to 1984 contributions for arts and culture declined slightly and contributions to civic and community activities increased substantially.

▶ When corporations were asked about the beneficiaries of their contributions, this trend was even more apparent. The proportions of total contributions to health had declined by three percentage points from 1982 to 1984, to education by approximately two percentage points.

▶ Although funding to arts and cultural organizations remained fairly steady from 1982 to 1984, the proportion of total corporate contributions to civic and community activities increased by seven percentage points during this period.

Recipients of Corporate Contributions



1982 (534 companies)

1984 (415 companies)

TABLE 3.54
CORPORATE CONTRIBUTIONS: FIFTEEN LARGEST COMPANY-SPONSORED FOUNDATIONS (BY TOTAL GRANTS), 1983

Foundation	Total grants ($000s)	Assets ($000s)
Atlantic Richfield Foundation	$35,839	$11,896
General Motors Foundation	31,442	123,278
Exxon Education Foundation	27,361	60,014
Amoco Foundation	19,380	75,804
AT&T Foundation	16,132	86,336
Mobil Foundation	14,484	19,736
General Electric Foundation	14,226	53,578
Shell Companies Foundation	13,895	47,610
Proctor & Gamble Fund	11,559	14,935
Dayton Hudson Foundation	11,019	9,112
Ford Motor Foundation	9,931	47,579
Alcoa Foundation	9,409	168,000
Xerox Foundation	9,400	9,100
Bank America Foundation	9,185	10,537
Aetna Life and Casualty Foundation	9,127	17,983

Sources: See Table 3.38

▶ Corporate contributions are made directly from the corporation or through a separately instituted company-sponsored foundation, or both.

▶ In 1983, the Foundation Center estimated that there were 723 company-sponsored foundations (Table 3.39). Company-sponsored foundations receive assets or contributions from the company, or both. Company-sponsored foundations generally do not have assets as large as those of the larger independent foundations because they usually receive contributions from the company on an annual basis. However, when a corporation has a bad year and cannot make a large contribution, company-sponsored foundations can draw on their assets to maintain their giving patterns.

TABLE 3.55
CORPORATE CONTRIBUTIONS: FACTORS INFLUENCING LEVEL OF CASH GIFTS, 1982

		Size of company		
Major influence[a]	Total	Fortune 1300	Intermediate[b]	Smaller[c]
CEO	81%	72%	86%	82%
Board of directors	21	17	26	19
Top executives at headquarters	19	16	23	18
Corporate giving staff	19	36	18	4
Top executives in other locations	13	16	15	9
Community members/ soliciting organizations	8	12	10	3
Shareholders	5	1	3	9
Employees	2	6	0	0
Total	168%[d]	176%	181%	144%

Sources: See Table 3.50.

[a] Rating of 5 or 4 on a 5-point scale, where 5 = virtually total influence and 1 = no influence.

[b] Annual sales of $50 million to $100 million.

[c] Annual sales of $25 million to $49 million.

[d] Totals exeed 100 percent because of multiple responses.

▶ In the 1982 Yankelovich, Skelly and White survey of corporate philanthropy, it was found that CEOs had a major influence on the level of cash gifts given by corporations. This influence was greater in intermediate and smaller corporations (over 80 percent) than in Fortune 1300 companies (72 percent).

▶ Only in the Fortune 1300 companies did corporate giving staff come in second (36 percent) as having influence in determining the level of cash giving for a corporation. At other types of corporations, the board of directors and top executives were second to the CEO in influencing the level of cash contributions.

TABLE 3.56
CORPORATE CONTRIBUTIONS: INFLUENCE ON SELECTION OF RECIPIENTS, 1982

Major influence[a]	Total	Size of company Fortune 1300	 Intermediate[b]	 Smaller[c]
CEO	68%	42%	77%	87%
Corporate giving staff	17	35	14	5
Top executives at headquarters	16	16	16	16
Top executives in other locations	11	16	12	6
Board of directors	9	4	12	11
Community members/ soliciting organizations	9	13	11	4
Shareholders	3	1	0	7
Employees	1	3	0	1
Total	134%[d]	130%	142%	137%

Sources: See Table 3.50.

[a] Rating of 5 or 4 on a 5-point scale, where 5 = virtually total influence and 1 = no influence.

[b] Annual sales of $50 million to $100 million.

[c] Annual sales of $25 million to $49 million.

[d] Totals exceed 100 percent because of multiple responses.

▶ The 1982 Yankelovich, Skelly and White national survey on philanthropy showed that the largest single influence on the selection of recipients for corporate contributions was the CEO. However, this influence varied by the size of corporation, ranging from 42 percent in the Fortune 1300 companies to 87 percent in smaller corporations.

▶ Corporate giving staff persons were second (35 percent) in their influence in the selection of recipients of corporate contributions at Fortune 1300 companies, whereas top executives at headquarters and other locations were more influential at intermediate and smaller companies.

TABLE 3.57
CORPORATE CONTRIBUTIONS: AVERAGE CASH CONTRIBUTIONS AS A PERCENTAGE OF PRETAX INCOME, BY LEVEL OF CEO'S COMMITMENT, 1982

CEO's level of commitment	Size of company Fortune 1300	 Intermediate[a]	 Smaller[b]
High	1.1%	1.5%	2.0%
Low	0.4	0.7	1.3

[a] Annual sales of $50 million to $100 million.

[b] Annual sales of $25 million to $49 million.

CORPORATE CONTRIBUTIONS: CEO'S COMMUNITY INVOLVEMENT, BY COMMITMENT TO CORPORATE GIVING, 1982

Community activity	Total	CEO's commitment to corporate giving Extremely committed	 Very committed	 Modestly committed
Very active	36%	53%	39%	20%
Somewhat active	37	26	41	40
Slightly active	16	4	14	26
Not at all active	10	13	6	14
Don't know/ no answer	1	4	0	0
Total	100%	100%	100%	100%

CEO's perception	Total	CEO's personal commitment to corporate giving Extremely committed	 Very committed	 Modestly committed
Give a great deal	49%	57%	53%	37%
Give some	47	37	46	59
Give little or nothing at all	2	2	0	4
Don't know/ no answer	2	4	1	0
Total	100%	100%	100%	100%

Sources: See Table 3.50.

- In the Yankelovich, Skelly and White national survey of corporate philanthropy, it was found that the level of cash giving of a corporation was directly related to the CEO's commitment to corporate giving. Such commitment was even more evident for smaller corporations than larger ones.
- The level of commitment to corporate contributions also is shown in the CEO's level of activity in the community. A higher proportion of CEOs who were extremely committed (53 percent) or very committed (39 percent) to corporate giving also said that they were very active or somewhat active in community activities.
- The level of a CEO's commitment to corporate giving also is shown in the CEO's personal giving. More than half of the CEOs who were extremely or very committed to corporate giving said that they themselves also gave generously to charities.

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CHAPTER FOUR
PROFILES OF ORGANIZATIONS IN THE INDEPENDENT SECTOR BY SUBSECTOR

The independent sector is composed of a variety of voluntary organizations, foundations, and social responsibility programs of corporations. The purpose of this chapter is to examine the trends among the subsectors of the independent sector.

Currently, there is neither a classification system that specifically identifies the independent sector in the government's data collections nor a collection program that regularly compiles data on nonprofit organizations. The Standard Industrial Classification system of the federal government includes nonprofit organizations, but they are not identified as such. Thus, although their activities contribute to the totals for industries included in this system, specific data for nonprofit organizations can only be surmised.

Some subsectors of the independent sector are surveyed on a regular basis. The American Hospital Association surveys hospitals, their expenditures, and their employment. Independent colleges and universities are surveyed as part of the Higher Education General Information Survey conducted by the National Center for Education Statistics.

The Internal Revenue Service collects tax forms (Form 990) from tax-exempt organizations with revenues of $25,000 or more, but although detailed information on elements of total revenues and total expenditures is reported on these forms, it is not coded on computer tape. This restriction severely limits this data base as a source of information for analysis.

The Statistics of Income Division of the Internal Revenue Service recently completed studies based on separate national samples of tax-exempt organizations and private foundations. The studies included a fairly complete collection of data elements on the Form 990 tax returns for the 1982 fiscal year. The division intends to continue these studies annually. Although the sample for tax-exempt organizations included neither 501(c)(4) organizations nor churches, these studies should provide a rich source of information on many charitable organizations in the years ahead.

In its Census of Service Industries conducted every five years, the U.S. Bureau of the Census provides the best baseline data for many subsectors of the independent sector. However, the census program for 1982 eliminated educational organizations and hospitals from its list of subsectors, thus terminating a source of verification for other data systems as well as an alternative data base.

It is also difficult to develop trend data for the important area of international philanthropy. Many organizations, including churches, provide numerous services abroad, but information on these activities is not compiled in one source. The amount of money the government gives to U.S. organizations for international purposes can be estimated, but we have no reliable estimates of total private contributions used for services abroad.

With these caveats, trends in funding and expenditures (see Chapter Two) are examined by subsector in this chapter. The major subsectors of the independent sector are health services; education and research; religious organizations; civic, social, and fraternal organizations; arts and culture; foundations, including international activities; and legal services. More detailed profiles are provided for some subsectors than for others, depending on how much information is available and whether estimates can be made from either public or private sources.

Sources and Disposition of Annual Support by Subsector

The total annual funds for the independent sector grew rapidly from 1977 to 1982, but more slowly from 1982 to 1984. Total annual funds increased from $114.2 billion in 1977 to $253.5 billion in 1984 (122 percent) (Table 4.1). However, the bulk of this growth occurred from 1977 to 1982, when total annual funds grew 86 percent. From 1982 to 1984, the increase was 19 percent.

Tables 4.1 and 4.2 show the shares of the various annual sources of funds and their disposition by subsector, and Table 4.3 summarizes the distribution of annual support among subsectors. The health services subsector, primarily hospitals, accounted for $125.7 billion (50 percent) of the total annual funds for the independent sector in 1984. The education and research subsector accounted for $57.1 billion (23 percent) of the total annual funds. Thus, these two subsectors together accounted for nearly 75 percent of the independent sector's total annual funds.

The growth in support varied significantly by subsector over this period. Total annual funds in the health services subsector grew 145 percent from 1977 to 1984, and this subsector's share of the independent sector's total annual funds grew from 45 percent in 1977 to 50 percent in 1984. Growth was more rapid between 1977 and 1982 than between 1982 and 1984. Since 1982, this subsector's share of annual sources has remained fairly stable.

Other subsectors that showed an increase of more than 100 percent in total annual funds from 1977 to 1984 were foundations, including international activities (up 138 percent); religious institutions (up 112 percent); and education and research organizations (up 108 percent). However, because these subsectors grew less than the health services subsector, their shares of the total annual funds for the independent sector tended to decline slightly or remain steady over this period. A decline was particularly noticeable in the education and research subsector: its share of total annual funds declined from 24.0 percent in 1977 to a low of 22.3 percent in 1983; its share was 22.5 percent in 1984.

Three subsectors showed a much slower growth rate in annual funds from 1977 to 1984: arts and culture (up 97 percent); social services (up 88 percent); and civic, social, and fraternal organizations (up 67 percent). Each of these subsectors, therefore, showed a decline in its proportion of total annual funds over this period. The largest decline was in the social services subsector, for which the share of total annual funds of the independent sector was 10.0 percent in 1977 and 8.4 percent in 1984.

Support comes from a variety of sources, including private contributions; dues, fees, and charges; government funds; endowment funds; and other receipts. Subsectors differ greatly in the proportion of total annual funds they receive from the various sources.

The health services subsector has relied on payments from the private sector and from government for a major proportion of its funds. In 1984, payments from the private sector were 48 percent and payments from government were 35 percent of total annual funds. In 1977, payments from the private sector were 49 percent and payments from government were 32 percent of the total annual funds for this subsector. From 1977 to 1984, when payments from the private sector and government increased as a proportion of total annual funds, private contributions declined from 9.7 percent of total annual support in 1977 to 8.0 percent in 1982, and then increased slightly to 8.3 percent in 1984.

The education and research subsector receives more than 50 percent of its annual funds from payments from the private sector, primarily in the form of tuition and fees. Two other important sources of funds are payments or grants from government and private contributions. In 1984, income from government represented 17.0 percent of the total annual funds, having declined from 19.1 percent in 1980. Between 1977 and 1984, private contributions as a proportion of total annual funds remained fairly steady within a range from 14.5 percent in 1977 and 1984 to 15.2 percent in 1980.

Religious organizations rely primarily on private contributions for both their own operations and their donor activities in a variety of areas, such as education and social services. Private contributions to religious institutions represented 125 percent of total annual funds in 1977 and 124 percent in 1984. Contributions, investment income, and other receipts are much greater than total funds, indicating that a substantial amount of church revenues are transferred to nonsacerdotal activities. For example, in 1984, church revenues were estimated at $39.6 billion, but funds at the disposition of the church were estimated at $10.8 billion less, or $28.8 billion. Current operating expenditures, $17.1 billion, accounted for only 43 percent of $39.6 billion in revenues. The account set up to balance annual support and its disposition, "Other, including change in holding of funds," and in which repose ambiguities and uncertainties, is estimated at $10.6 billion, a substantial proportion of total revenues or even of the $28.8 billion estimated to be at the disposition of religious organizations.

The religion subsector presents a major problem for our estimates. Estimates for all other subsectors are supported in varying degrees by government surveys on employment, service industries, health, and education. Estimates for employment and wages in the religion subsector are based on unpublished data made available by the U.S. Department of Labor, Bureau of Labor Statistics. However, total receipts for religious institutions are not reported either in public or in private sources. To prepare these estimates, we used a survey of religious expenditures completed in 1974 by the Interfaith Committee of the Commission on Private Philanthropy and Public Needs and annual estimates of private contributions to religion published by the American Association of Fund-Raising Counsel in various editions of *Giving USA*.

In the absence of any reliable information other than employment data and an assumption about the relation of employment to operating expenditures, the residual figure for religion, recorded in "Other, including changes in holding of funds," in Tables 4.1 and 4.2, represents a large unknown factor reconciling total annual funds with estimates for employment costs, other operating expenditures, and funds for capital improvement and construction. Until another survey of total annual receipts and expenditures of religious institutions is conducted, this residual, amounting to more than 25 percent of the total annual revenues for religion, is assumed to be attributable to some combination of unrecorded nonsacerdotal expenditures, expenditures for return from investments and other assets, and errors in the reported total contributions to the religion subsector.

The social services subsector reveals the greatest change in funding from 1977 to 1984. This change is primarily due to large federal funding cutbacks in 1981 after a long period of increased federal support of the services provided by this subsector. Government support, which provided 53.5 percent of the total annual funds for this subsector in 1977, declined to 43.9 percent of total annual support by 1984. Private contributions as a proportion of total annual funds declined to a low point of 30.7 percent in 1980, and then started to increase steadily to 37.4 percent in 1984. Payments from the private sector in the form of fees and charges also increased, from 9.6 percent of total annual funds in 1977 to 12.6 percent in 1984.

Civic, social, and fraternal organizations rely primarily on support from government, private contributions, and, to a lesser extent, payments from the private sector. Support from government represented about half the total annual funds for this subsector from 1977 to 1984. Private contributions increased slightly, from 28.6 percent of total annual funds in 1977 to 30 percent in 1984. Dues, fees, and charges also increased slightly, from 11.9 percent of total annual funds in 1977 to 12.9 percent in 1984.

Arts and cultural organizations rely primarily on private contributions and, to a lesser extent, on support from government, payments from the private sector, and income from endowment or investments. Private contributions as a percentage of total funds rose from 65.7 percent in 1977 to a high of 70.4 percent in 1982, and then declined to 66.7 percent in 1984. Government support as a percentage of total funds in this subsector rose to a high of 16.0 percent in 1980, dropped to 11.3 percent in 1982, and increased to 13.0 percent in 1984. Payments from the private sector as a percentage of annual funds rose from 8.6 percent in 1977 to 10.0 percent in 1980, dropped to 8.5 percent in 1982, then increased to 10.1 percent in 1984.

Foundations, including international activities, rely on a combination of income from endowment and private contributions for the bulk of their annual support. The distribution of grants either from contributions or income from endowment is determined partially by legal regulations and partially by the performance of endowment. Endowment income increased from 44 percent ($2.0 billion divided by $4.5 billion) of total annual funds received by foundations in 1977 to 67 percent ($7.0 billion divided by $10.4 billion) in 1984. This increase in endowment income as a percentage of annual funds was due to a combination of laws providing some deregulation of endowment funds, improved performance in the economy, and establishment of some large foundations.

The small size of the legal services subsector makes it very difficult to describe trends for this subsector. Legal services receive their support from private contributions, government funds, and other private payments. With major government cutbacks in this area, government support of legal services has declined, and the figures presented are simply estimates of the changing proportion of funds in this subsector.

As with the sources of funds, the uses of funds also vary by subsector. The health services and the education and research subsectors use over 80 percent of their funds for current operating expenditures and approximately 7 percent of their funds for construction and capital improvement.

Religious organizations used an increasing proportion of their funds for donor activities. In 1977, religious institutions used over 70 percent of their annual funds for current operating expenditures. By 1984, this figure was down to 59 percent.

Social service organizations have steadily increased the proportion of total annual funds used for current operating expenditures (from 73 percent in 1977 to 93 percent in 1984). This trend shows a growing financial inability of social service organizations to provide funds for other than current operating expenses. In 1977, social service organizations kept nearly one-quarter of their total annual funds in reserve. By 1984, they kept 4 percent in reserve. These funds were primarily collected by major fund-raising organizations, such as United Way, for distribution to other social service organizations. The shrinking of these reserve funds is another indication of the growing restraints on this subsector.

Civic, social, and fraternal organizations use more than 95 percent of their total annual funds on current operating expenditures, as does the legal services subsector (100 percent). Arts and cultural organizations also are showing the effects of a slower growth rate in total annual funds. The proportion of total annual funds used for current operating expenditures in this subsector increased from 45.7 percent in 1977 to 49.3 percent in 1984. Arts and cultural organizations use about half or more of all funds to support individuals, organizations, and community activities in arts and culture and to purchase art. In 1984, foundations (including international activities) used 9.7 percent of their total annual funds on current operating expenditures and 90.3 percent on grants and other investment activities. Annual funds used on current operations in foundations declined from 15.4 percent in 1977 to 9.7 percent in 1984.

Employment and Wages and Salaries by Subsector

In 1984, there were 94.5 million employees on nonagricultural payrolls in the United States, excluding volunteer workers. Table 4.4 shows that the total paid employment in nonprofit organizations was 7.2 million people. The independent sector employed 6.7 million people (93 percent of all people employed by nonprofit organizations). Employment in the independent sector increased 18.5 percent from 1977 to 1982. This increase was higher than the increase in total employment, which was 8.6 percent during this period. From 1982 to 1984, this trend reversed. Although total employment increased 5.4 percent, employment in the independent sector increased only 2.0 percent.

Total wages and salaries of the independent sector in 1984 were $90.6 billion, 5.1 percent of the total wages and salaries for people on nonagricultural payrolls (Table 4.5). From 1977 to 1982, wages and salaries increased 73 percent in the independent sector and 58 percent in the other sectors of the economy. This trend reversed from 1982 to 1984. Athough wages and salaries in other sectors increased 18 percent, they increased only 12 percent in the independent sector.

Employees in the independent sector include doctors; nurses; social workers; faculty and administrators at colleges and universities; teachers; ministers and priests; scientists; foundation officers; and a wide array of professionals, support personnel, laborers, and other workers. Currently, there is no complete breakdown of employment in the independent sector by occupation.

Table 4.6 shows the number and percentage of employees in the various subsectors of the independent sector from 1977 to 1984. Total employment in the health services subsector grew to 47.0 percent of total employees in the independent sector in 1982, and then declined slightly to 46.7 percent in 1984, when hospital employment was 1 percent lower than its 1983 level. This decrease in hospital employment was primarily due to increased efforts to contain costs. Hospital employment had grown 22 percent from 1977 to 1982. Employment at nursing and personal care facilities and in outpatient care and allied services continued to increase throughout this period in response to an aging population and efforts at reining in health costs by diverting treatment from hospitals to other settings.

Although employment increased in the education and research subsector, it grew more slowly than the total for the independent sector. Total employment in this subsector declined from 23.2 percent of total employment in the independent sector in 1977 to 22.2 percent in 1984. This decline was primarily due to declining employment growth at independent colleges and universities, which represented 12.7 percent of total employment in the independent sector in 1977 and 11.5 percent in 1984. In contrast, employment at elementary and secondary schools increased from 7.7 percent of total employment in the independent sector to 8.2 percent during this period.

Employment in religious organizations increased only 2 percent from 1977 to 1982, and then declined 7 percent from 1982 to 1984. Employment in the social services grew 29 percent from 1977 to 1982 and 7 percent from 1982 to 1984; the components showing the most growth were individual and family services and residential care. Employment increased slightly in civic, social, and fraternal organizations and in foundations. In arts and cultural organizations, employment increased substantially, from 66,000 in 1977 to 98,000 in 1984, or about 50 percent.

Table 4.7 provides details on the total wages and salaries for each subsector. Each subsector's proportion of total wages and salaries depends on both employment and relative salaries.

The health services subsector increased its proportion of total wages and salaries from 48.8 in 1977 to 55.0 percent in 1982 and 1983, before a slight decline to 54.8 in 1984 because of arrested growth in employment at hospitals. Total wages and salaries at hospitals increased from 43.5 percent of total wages for the independent sector in 1977 to 48.6 percent in 1982, then declined to 48.0 percent in 1984. During this same period, the proportion of total wages in nursing and personal care facilities and outpatient care and allied services increased.

Total wages and salaries in the education and research subsector declined from 28.3 percent of total wages of the independent sector in 1977 to a low point of 22.1 percent in 1983, and then increased slightly to 22.4 percent in 1984. This was primarily due to a continuing decline in the proportion of total wages represented by independent colleges and universities (from 17.8 percent in 1977 to a low point of 12.8 percent in 1982, followed by a slight increase to 13.5 percent in 1984). Total wages and salaries at private elementary schools declined steadily from 6.9 percent of total wages and salaries of the independent sector in 1977 to 5.5 percent in 1984.

The proportion of total wages and salaries in religious organizations; in civic, social, and fraternal organizations; in foundations; and in legal services also declined slightly. In the social services subsector, wages and salaries increased from 8.8 percent of total wages of the independent sector in 1977 to 10.0 percent in 1984. In arts and cultural organizations, there was virtually no change.

In 1984, total employment in the independent sector was two-thirds female and one-third male (Table 4.8). Fourteen percent of employees were black and 4 percent were of Hispanic origin. Women were most heavily concentrated in health service organizations (76.9 percent), social service organizations (74.3 percent), and foundations (70.2 percent). Blacks were most heavily represented in social services (18.0 percent) and health services (16.5 percent).

The contributed full-time equivalent employment of volunteers 18 years old and older in 1985 was 6.2 million for all sectors of the economy (Table 4.9). The time volunteered was valued at $101.2 billion. Over 75 percent of the total (4.7 million full-time equivalent volunteers) worked for the independent sector, 18 percent for government, and 3 percent for for-profit organizations. Nearly 40 percent (2.5 million full-time equivalent volunteers) worked for a wide range of religious institutions, and another 37 percent worked for nonsectarian charitable organizations. The five areas among religious institutions receiving the most volunteer time were to sacerdotal activities, education, general fund-raising, social services and welfare, and health. The five areas receiving the most volunteer time at other charitable organizations, excluding recreation, were health; general fund-raising; social services and welfare; civic, social, and fraternal organizations; and education.

Current Operating Expenditures by Subsector

Estimates for current operating expenditures are more firm than estimates for total annual support because expenditures for several subsectors can be documented from various annual surveys. Such surveys can also be checked by referring to the Census of Service Industries, conducted by the Bureau of the Census, and to the survey on employment and wages and salaries conducted by the Bureau of Labor Statistics. Once the percentage of current operating expenditures used to pay wages and salaries in surveyed subsectors is established, estimates can be made about operating expenditures in subsectors, such as social services, for which there are no regular surveys of expenditures.

Table 4.10 gives an estimate of the number of institutions in each subsector for the most recent year such information was reported. As such, it provides a guide to the number of institutions that are represented in the specific analyses of current operating expenditures by subsectors.

Current operating expenditures for the independent sector were $201.5 billion in 1984 (Table 4.11). This total represented a 121 percent increase over current operating expenditures in 1977, with the largest increase (88 percent) occurring between 1977 and 1982. In some subsectors, operating expenditures as a percentage of total operating expenditures for the independent sector declined slightly from 1977 to 1982 and 1983, and then increased slightly in 1984. These subsectors were education and research and civic, social, and fraternal organizations. Of these, education and research showed the greatest decline. Current operating expenditures for this subsector dropped from 26.0 percent of the total for the independent sector in 1977 to 23.7 percent in 1982 and 1983, and increased to 24.2 percent in 1984.

Religious organizations accounted for a steadily declining percentage of total current operating expenditures (from 10.5 percent in 1977 to 8.5 percent in 1984). Foundations also accounted for a slightly declining proportion of total current operating expenditures during this period.

The social services subsector was the only subsector that showed a gradual increase in its proportion of current operating expenditures. This proportion increased from 9.1 percent of total current operating expenditures in 1977 to 9.9 percent in 1984.

Current operating expenditures in the health services subsector grew rapidly from 47.5 percent of total expenditures in 1977 to 51.8 percent in 1982. There was a slight increase to 52.1 percent in 1983, and then a slight decline to 52.0 percent in 1984. Most of the growth rate was due to hospitals, where total current operating expenditures peaked at 46.2 percent for the independent sector in 1983, and then declined slightly, to 45.9 percent in 1984.

Trends in Health Services

The health services subsector is composed primarily of hospitals, nursing and personal care facilities, and outpatient care and allied services. The health services subsector is the largest component of the independent sector, representing 52 percent of total current operating expenditures and employing nearly 47 percent of the paid employees.

The American Hospital Association's annual surveys show that there were 3,539 short-term and long-term nonprofit hospitals of various types in 1984. Included among these hospitals were 3,351 not-for-profit community hospitals. The surveyed hospitals worked at 71.4 percent capacity, had 716,000 beds, and admitted 25.2 million patients in 1984. They also recorded nearly 153.3 million outpatient visits.

Table 4.12 shows that hospitals accounted for 88 percent of total current operating expenditures for the health services subsector in 1984, declining slightly from 89 percent in 1977. Operating expenditures for hospitals increased 139 percent, from $38.6 billion in 1977 to $92.4 billion in 1984, with the major growth in expenditures (102 percent) taking place between 1977 and 1982. Hospitals employed 83 percent of the total employees in the health services subsector in 1984, down from 86 percent in 1977. The total number of employees at hospitals increased 23 percent from 1977 to 1983, and then declined 1 percent in 1984. Average wages and salaries increased by 76 percent from 1977 to 1984. Relative wages and salaries also increased, from 13.1 percent above the average wages and salaries for the independent sector in 1977 to 24.5 percent above the average in 1984. Total wages and salaries at hospitals declined significantly, from 52.6 percent of hospitals' total operating expenditures in 1977 to 47.1 percent in 1984.

Nursing and personal care facilities accounted for 5.3 percent of total operating expenditures of the health services subsector in 1984, up from 2.4 percent in 1977, but down slightly from a 1982 peak of 5.4 percent. There were 3,046 nursing and personal care facilities in 1982, up from 2,331 in 1977, according to the most recent Census of Service Industries for which information is available. Operating expenditures for the nursing and personal care facilities component rose faster than hospital expenditures, increasing 150 percent from 1977 to 1984. The number of paid employees increased 50 percent during this period, and average wages and salaries increased 67 percent. Average wages and salaries for this component peaked at 73.1 percent of the average wages for the independent sector in 1982, and then declined to 71.5 percent in 1984.

The outpatient care and allied services component accounted for 5.8 percent of the total current operating expenditures of the health services subsector in 1977 and 6.5 percent in 1984. These expenditures rose faster than in any other component of the health services subsector, increasing 172 percent from 1977 to 1984. The 1982 Census of Service Industries reported 6,964 outpatient care and allied service facilities, compared with 6,352 in 1977. Average wages and salaries for personnel in this component grew 35 percent from 1977 to 1984, and relative wages and salaries declined steadily from 17 percent above the average wages and salaries for the independent sector to 1 percent below the average. The number of employees in this subsector increased 76 percent, from 131,200 in 1977 to 231,500 in 1984.

Although it is not possible to include the assigned dollar value of volunteer time as part of the current operating expenditures budget for each component of health services, about 10.4 million of the estimated 82.2 million adults 18 years old and older reported volunteering in the health services subsector in The Gallup Organization's 1985 survey on volunteering. The estimated value of the contribution was $8 billion.

Trends in Education and Research

The education and research subsector includes private elementary and secondary schools; colleges and universities; professional schools; correspondence and vocational schools; other educational services; libraries and information centers; and freestanding educational, scientific, and research organizations. In 1983, there were approximately 27,694 private elementary, secondary, and special schools enrolling more than 5.7 million students and 1,803 private colleges enrolling more than 2.2 million students, according to the National Center for Education Statistics. In 1982, the Census of Service Industries reported 822 correspondence and vocational schools, 2,103 schools providing other educational services, 1,338 libraries and information centers, and 1,946 educational and scientific research organizations.

The major trends for this subsector are shown in Table 4.13. Independent colleges and universities accounted for nearly 52 percent of this subsector's total operating expenditures in 1984, up from 50 percent in 1977. Wages and salaries at colleges and universities declined from approximately 70 percent of current operating expenditures in 1977 to 49 percent in 1984, reflecting a slower rate of growth in wages and salaries than in other expenditures. Total employment in ths component grew only 10 percent between 1977 and 1984. Average wages and salaries grew 34 percent during this period, but relative wages and salaries steadily declined, from approximately 40 percent above the average for the independent sector in 1977 to a low point of 11 percent above the average for the sector in 1982. Relative wages then increased slightly to nearly 17 percent above the average for the independent sector in 1984.

Trends at private elementary and secondary schools were similar. Wages and salaries declined from 39.5 percent of current operating expenditures in 1977 to 30.1 percent in 1984, despite a 30 percent increase in the total number of employees. Relative wages for this component also declined, from 88 percent of the average for the independent sector in 1977 to 67 percent in 1984.

At libraries, correspondence schools, and other educational services, average wages and salaries declined from 50 percent of operating expenditures to nearly 42 percent in 1984. The total number of employees increased only 11 percent. Relative wages and salaries declined sharply, from 96 percent of the average wages and salaries for the independent sector in 1977 to 67 percent in 1984.

Noncommercial research institutions were the only component in the education and research subsector to improve relative wages and salaries for employees. Relative wages in this component were 54 percent above the average for the independent sector in 1977 and 73 percent above the average in 1984. The total number of employees increased nearly 11 percent, and wages and salaries as a proportion of current operating expenditures remained fairly steady at 45 percent. Average wages and salaries increased 80 percent from 1977 to 1984.

In the 1985 Gallup survey on volunteering, 16 percent of respondents (approximately 13 million Americans) reported volunteering in the education and research subsector. The value of volunteered time was estimated at $6.1 billion.

Trends in Social Services

Organizations in the social services subsector provide services to individuals and families, job training and related services, child day care, and residential care. The subsector also includes major fund-raising organizations, such as local United Ways, community action and development groups, social change organizations, youth self-help groups, and senior citizen associations.

According to the Census of Service Industries, there were 52,571 social service organizations in 1982, up from 40,983 in 1977. Table 4.14 provides details on the major financial and employment trends for this subsector. Social service organizations are necessarily labor-intensive, particularly in child care and job training, components in which more than 50 percent of current operating expenditures are devoted to wages and salaries.

This subsector was hit hardest in the initial round of federal budget cuts in 1981 and 1982. Therefore, its growth rate slowed substantially after 1982. The total number of employees increased 38 percent from 1977 to 1984, with the major part of the increase (29 percent) taking place by 1982. Wages and salaries declined from 49.4 percent of current operating expenditures in 1977 to 45.7 percent in 1982.

Individual and family services grew at a rapid rate from 1977 to 1982. This component's proportion of the subsector's current operating expenditures nearly doubled, up from 17 percent in 1977 to 31 percent in 1982, and then declined to 26 percent in 1984. The total number of employees increased 88 percent from 1977 to 1982 and 8 percent between 1982 and 1984. Wages and salaries declined from 50 percent of total operating expenditures in 1977 to 38 percent in 1982, and then rose to 45 percent in 1984. Relative wages and salaries for this component remained fairly steady at around 74 percent of the average for the independent sector throughout this period. Total current operating expenditures increased over 250 percent between 1977 and 1982, from $1.4 billion to $5.0 billion, then dropped to $4.9 billion in 1983, and increased slightly to $5.1 billion in 1984.

The job training and related services component of this subsector also grew from 1977 to 1982, increasing its share of the subsector's total operating expenditures from 10.8 percent to 13.4 percent. Its share shrank to 10.1 percent in 1984. Current operating expenditures in job training dropped 18 percent, from $2.2 billion in 1982 to $1.8 billion in 1983, and then climbed to $2.0 billion in 1984. Wages and salaries declined from 56 percent of operating expenditures in 1977 to 41 percent in 1982, and then increased to 55 percent in 1984. Employment increased 32 percent from 1977 to 1982 and 2 percent between 1982 and 1984. Relative wages and salaries, after a dip in 1982, were 46 percent of the average for the independent sector in 1984.

The share of the subsector's total current operating expenditures represented by the child care services component declined from 14.5 percent in 1977 to 9.1 percent in 1982, and then increased slightly, to 10.1 percent in 1984. The total number of employees in this component increased 13 percent from 1977 to 1984. Child care services did not go through the rapid period of growth from 1977 to 1982 that characterized other components of the social services subsector. Relative wages and salaries declined slightly, from 59 percent of average wages for the independent sector in 1977 to 55 percent in 1984.

The residential care component's share of the current operating expenditures of the social services subsector declined from 23 percent in 1977 to 20 percent in 1984. The total number of employees increased 39 percent, and relative wages declined slightly, from 75 percent of the average wages for the independent sector in 1977 to 71 percent in 1984.

Social services not elsewhere classified include a variety of social change and neighborhood organizations as well as fund-raising organizations. These social change and neighborhood organizations were affected by federal budget cuts, which probably partially explain the drop in this component's share of the current operating expenditures of this subsector (from 35 percent in 1977 to 27 percent in 1982). Some of the drop can also be attributed to rapid growth in other components (individual and family services and job training and related services) during this period. After 1982, these other components grew more slowly, and social services not elsewhere classified accounted for 35 percent of the subsector's current operating expenditures by 1984. This component showed its greatest growth in total employment between 1977 and 1982; total employees increased 14 percent during this period and 5 percent from 1982 to 1984. Relative wages and salaries for this component increased moderately, from 86 percent of the average for the independent sector in 1977 to 90 percent in 1984.

In 1985, approximately 38 million Americans reported contributing volunteer time to the social services subsector. This figure includes 19 million people who helped raise funds for these organizations. The estimated value of volunteered time was $17 billion.

Trends in Arts and Cultural Organizations

Arts and cultural organizations include public radio and television broadcasting organizations, nonprofit theaters, symphony orchestras, operas and dance companies, museums, and botanical and zoological gardens. In 1984, there were approximately 4,200 such organizations. Operating expenditures for arts and cultural organizations grew rapidly from 1977 to 1982 and more slowly in 1983 and 1984, as shown in Table 4.15.

Total employees in radio and television broadcasting increased 21 percent from 1977 to 1982 and remained unchanged from 1982 to 1984. Current operating expenditures increased 60 percent from 1977 to 1982 and 25 percent from 1982 and 1984. The share of current operating expenditures represented by this component of the arts and culture subsector declined from 31 percent in 1977 to 28 percent in 1982, and then increased slightly, to 29 percent, in 1984. Relative wages for employees increased rapidly, from 23 to 40 percent above the average wages for the independent sector from 1977 to 1982, and then declined to 27 percent above the average for the sector in 1984.

Current operating expenditures for the producers and entertainers component increased 83 percent from 1977 to 1982 and stayed at approximately 38 percent of the current operating expenditures for this subsector. From 1982 to 1984, current operating expenditures for this component remained at $1.1 billion and represented a declining share of the subsector's current operating expenditures (32 percent in 1984). Total employees increased 53 percent from 1977 to 1982 and 7 percent from 1982 to 1984. Relative wages and salaries declined precipitously, from 30 percent above the average wages for the independent sector in 1977 to 17 percent below the average in 1984.

Current operating expenditures for museums and botanical and zoological gardens doubled from 1977 to 1982 and increased 30 percent between 1983 and 1984. This component showed more stability over the period than other components. The proportion of the subsector's current operating expenditures represented by museums and botanical and zoological gardens increased from 31.3 percent in 1977 to 38.2 percent in 1984. Total employees increased 46 percent from 1977 to 1984, and relative wages and salaries remained at above 80 percent of the average wages for the independent sector.

In the 1985 Gallup survey on volunteering, approximately 4.5 million Americans reported contributing time to arts and cultural organizations. The estimated value of this time was $2.5 billion.

Trends in Other Subsectors

There are no components identified separately for foundations; civic, social, and fraternal organizations; religious organizations; and legal services organizations. Table 4.16 provides summary estimates for current operating expenditures for these four subsectors.

Foundations spend very little of their revenue on current operating expenditures. Their primary activity is grant-making, and such activity does not show up under current operating expenditures, the actual costs of everyday functioning. There were 24,261 foundations with 18,400 employees in 1982. Small foundations may have had no paid employees. Wages and salaries remained at 50 percent of current operating expenditures from 1977 to 1984, and current operating expenditures did not change from 1982 to 1984. The total number of employees apparently declined 3 percent from 1982 to 1984, and relative wages and salaries declined steadily from 44 percent above the average for the independent sector in 1977 to 24 percent above average wages in 1984.

The Census of Service Industries reported 35,457 civic, social, and fraternal organizations in 1982. Current operating expenditures in these organizations grew 40 percent from 1977 to 1982 and 20 percent between 1982 and 1984. Wages and salaries remained at about 37 percent of current operating expenditures throughout this period. Employment remained steady at 305,000 between 1977 and 1982 and increased nearly 8 percent between 1982 and 1984. Relative wages and salaries declined slightly, from 58 to 56 percent of the average wages and salaries for the independent sector. In the 1985 Gallup survey on volunteering, approximately 11.4 million Americans reported contributing time worth an estimated $5.8 billion to these organizations.

There were an estimated 338,000 religious organizations in 1983. Current operating expenditures at these institutions rose 67 percent from 1977 to 1982, less than 7 percent in 1983, and showed no increase in 1984. Although wages and salaries were maintained at nearly 43 percent of current operating expenditures throughout this period, relative wages increased from 71 to 83 percent of the average wages for the independent sector. This increase in wages was partially due to a decline of 7 percent in total employees from (691,000 in 1982 to 645,000 in 1984). Religious organizations depend heavily on volunteer time. The estimated 39.5 million Americans who reported contributing volunteer time in the 1985 Gallup survey represented the full-time volunteer equivalent of 2.2 million employees, which is more than three times the total paid employment in religious institutions. The estimated value of volunteer time was nearly $35 billion, twice the current operating expenditures for religious organizations in 1984.

There were 1,302 legal services organizations in 1982. This is a small subsector that is highly labor-intensive. Current operating expenditures in legal services doubled from $200 million in 1977 to $400 million in 1982, and remained unchanged through 1984. The total number of employees grew from 12,400 in 1977 to 14,500 in 1982 and then did not change. Relative wages and salaries declined from 91 percent above the average wages for the independent sector in 1977 to 53 percent above the average in 1984.

The Statistics of Income Division of the Internal Revenue Service recently constructed two national samples taken from the Form 990 tax returns—one of private foundations and one of other 501(c)(3) tax-exempt organizations. These samples cover the 1982 tax year and have yielded more detailed information about these sectors than is generally available. Prior work of this type involved 1974 tax returns for foundations and 1975 tax returns for other tax-exempt organizations. Tables 4.17, 4.18, and 4.19 give the summary findings of the recent studies. In the years ahead, as sampling techniques improve, these studies should provide good trend data in specific detail on both assets and current operating expenditures for significant portions of the independent sector.

The foundation sample did not include community foundations, but it did include 3,318 nonoperating and non-grant-making foundations (Table 4.17). These organizations are not included as foundations by The Foundation Center, but the Internal Revenue Service includes them with active foundations for administrative purposes. In 1982, operating expenditures of foundations were $306 million, less than 1 percent of $48.2 billion in assets. Wages and salaries and fringe benefits were 45 percent of current operating expenditures. Rent, taxes, and other operating expenses accounted for another 43 percent, and professional fees, 12 percent. In 1982, the foundations in this sample (other than the nonoperating, non-grant-making foundations) gave out $4.364 billion in grants.

The Statistics of Income sample of tax-exempt organizations included only 501(c)(3) organizations, exclusive of churches. Organizations were selected by size of revenues because there currently is no classification system for the nonprofit sector that allows for a representative sample of nonprofit organizations by type of organization. This sample should become more representative in future years as the Statistics of Income Division implements the new taxonomy of nonprofit organizations recently developed by the National Center for Charitable Statistics. The 1982 sample, for example, is heavily weighted with hospitals and schools because these institutions individually have large revenues.

Even with these limitations, Table 4.18 provides far more detail on the operating expenditures of nonprofit organizations than has been available before. Total compensation of employees represented 51 percent of current operating expenditures for nonprofit organizations, although the percentage was higher in hospitals (53 percent) and schools (55 percent) than in other organizations. Other operating expenses include costs of supplies (9 percent), depreciation and depletion (3 percent), and communications (3 percent). Total current operating expenditures were $163.8 billion in 1982 for this portion of the independent sector.

Total revenue for 501(c)(3) tax-exempt organizations was $196.3 billion (Table 4.19). Of this total, 21.0 percent came from public and private contributions, but the percentage is much higher (44 percent) if hospitals (2.7 percent) and schools (25 percent) are excluded. Hospitals and schools derived a greater proportion of their funds from program revenue. Although program revenue for the sample as a whole was 63 percent of total funds, it represented 88 percent of total revenue for hospitals, 55 percent for schools, and 34 percent for other nonprofit organizations. Contributions and program revenue together provided 84 percent of total revenue for tax-exempt organizations.

Human Services around the Nation

Findings from another national study of nonprofit organizations provide valuable trend data on the changing sources of revenue as a result of the first cutbacks in federal funding to nonprofit organizations in 1981 and 1982. This national study, conducted by the Nonprofit Sector Project at The Urban Institute, surveyed nonprofit organizations in 16 urban, suburban, and rural sites around the nation. The sample excluded hospitals, institutions of higher education, and religious institutions, such as churches and synagogues. For 12 of the sites, Table 4.20 shows the variation in the proportion of revenue coming from government support; fees, dues, and charges (program revenue); and private contributions. Government support as a proportion of total revenue in nonprofit organizations ranged from 32 percent in Chicago, Illinois, to 66 percent in Jackson, Mississippi. Revenue from dues, fees, and charges ranged from 34 percent of total revenue in Atlanta, Georgia, to 7 percent in Jackson, Mississippi, and revenue from private giving ranged from 15 percent of total revenue in San Francisco, California, to 34 percent in Boise, Idaho. This study clearly shows that there is not a single pattern for funding among nonprofit organizations. Revenue sources vary by state, by city, and by region.

Table 4.21 shows the change in government funding, excluding Medicare and income assistance, at each of these sites from 1982 to 1983. Again, the loss of government funding was not spread evenly. Government funding increased in Flint, Michigan; St. Paul and Minneapolis, Minnesota; and Casa Grande, Arizona. Declines in government funding ranged from 1 percent in Phoenix to 11 percent in Pittsburgh.

Table 4.22 shows income by source and service area in 1982 for the total sample. Mental health agencies were most reliant on government for their income (62 percent); cultural, arts, and recreation organizations were least reliant on government support (14 percent). Social services; legal services and advocacy; multiservice organizations; private schools and research organizations; and cultural, arts and recreation organizations received more than 25 percent of their income from private giving.

From 1981 to 1982, many types of agencies reacted to cutbacks in government funding by increasing their revenues from dues, fees, and charges. This change was particularly dramatic in housing and community development organizations, where income from fees increased 45 percent from 1981 to 1982 after adjusting for inflation. Income from fees increased 29 percent in mental health agencies and 19 percent in legal services and advocacy organizations. Although most agencies also made an effort to increase income from private contributions, the results were quite mixed. The highest increases in private contributions were reported by housing and community development agencies, (14 percent) and institutional and residential care organizations (15 percent).

From 1981 to 1982, some types of organizations showed substantial losses in total revenues after adjusting for inflation (Table 4.23): legal services and advocacy organizations (down nearly 16 percent); and employment, training, and income support agencies (down more than 6 percent). Aggregate figures for the total sample show that government support (after adjusting for inflation) declined 6 percent and private support from all sources increased 5 percent.

Total spending declined in seven and increased in five metropolitan areas, as shown in Table 4.24. As a group, these agencies managed to maintain total spending from 1981 to 1982, but there was no growth, and the aggregate figures do not reveal the tremendous geographic variation in the ability of nonprofit agencies to find new revenue sources.

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TABLE 4.1
INDEPENDENT SECTOR: SOURCES AND DISPOSITION OF ANNUAL FUNDS BY SUBSECTOR, 1984, 1983, 1982, 1980, AND 1977
(In billions of dollars)

		Annual sources of funds									Disposition		
		Private contributions	Payments			Other receipts							
SIC code	Subsector	Total	Private sector	Government sector	Total	Endowment investment income	Church	Other	Total	Total funds: Columns (1)+(4)+(8) or (10)+(11)+(12)	Current operating expenditures[a]	Construction and capital improvements	Other including change in holding of funds[b]
	1984	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	**(9)**	(10)	(11)	(12)
80	Health services	$10.4	$60.8	$44.5	$105.3	$ 1.4	$ 7.0	$1.6	$10.0	**$125.7**	$104.7	$ 8.4	$12.6
82,892	Education/research	8.3	30.5	9.7	40.2	3.3	3.5	1.7	8.6	**57.1**	48.7	4.2	4.2
866	Religious organizations[c]	35.6	-	-	-	1.3	-10.8	2.7	-6.8	**28.8**	17.1	1.1	10.6
83	Social services	8.0	2.7	9.4	12.1	0.7	0.2	0.4	1.3	**21.4**	19.9	0.6	0.9
864	Civic, social, and fraternal organizations	2.1	0.9	3.5	4.4	0.1	0.1	0.3	0.5	**7.0**	6.7	0.1	0.2
483,792, 84	Arts and culture	4.6	0.7	0.9	1.6	0.2	-	0.5	0.7	**6.9**	3.4	0.1	3.4
6732	Foundations including international activities[d]	-4.2	3.4	-	3.4	7.0	-	-	7.0	**6.2**	0.6	-	5.6
81	Legal services	0.1	0.1	0.2	0.3	-	-	-	-	**0.4**	0.4	-	-
	Total*	$68.3	$95.7	$68.2	$163.9	$14.0	0.0	$7.2	$21.3	**$253.5**	$201.5	$14.5	$37.5
	1983												
80	Health services	$ 9.4	$57.7	$40.4	$ 98.1	$ 1.3	$6.4	$1.5	$ 9.2	**$116.7**	$ 98.2	$ 8.8	$ 9.7
82,892	Education/research	7.7	27.8	9.0	36.8	2.9	3.2	1.5	7.6	**52.1**	44.7	3.9	3.5
866	Religious organizations	31.9	-	-	-	1.1	-9.9	2.5	-6.3	**25.6**	17.1	0.9	7.6
83	Social services	7.2	2.5	9.2	11.7	0.6	0.2	0.4	1.2	**20.1**	18.4	0.7	1.0
864	Civic, social, and fraternal organizations	1.9	0.8	3.2	4.0	0.1	0.1	0.3	0.5	**6.4**	6.1	0.1	0.2
483,792, 84	Arts and culture	4.2	0.6	0.8	1.4	0.2	-	0.5	0.7	**6.3**	3.0	0.1	3.2
6732	Foundations including international activities	-3.8	3.0	-	3.0	7.3	-	-	7.3	**6.5**	0.6	-	5.9
81	Legal services	0.1	0.1	0.2	0.3	-	-	-	-	**0.4**	0.4	-	-
	Total*	$61.6	$89.5	$62.8	$152.3	$13.5	0.0	$6.7	$20.2	**$234.1**	$188.5	$14.5	$31.1
	1982												
80	Health services	$ 8.4	$51.5	$36.5	$ 88.0	$ 1.2	$5.6	$1.6	$ 8.4	**$104.8**	$ 88.6	$ 7.7	$ 8.5
82,892	Education/research	7.0	25.3	8.1	33.4	2.8	3.0	1.5	7.3	**47.7**	40.5	3.8	3.4
866	Religious organizations	28.1	-	-	-	1.0	-8.9	2.2	-5.7	**22.4**	16.0	0.8	5.6
83	Social services	6.3	2.3	8.9	11.2	0.5	0.2	0.3	1.0	**18.5**	16.4	0.6	1.5
864	Civic, social, and fraternal organizations	1.7	0.8	2.9	3.7	0.1	0.1	0.2	0.4	**5.8**	5.6	0.1	0.1
483,792, 84	Arts and culture	5.0	0.6	0.8	1.4	0.2	-	0.5	0.7	**7.1**	2.9	0.1	4.1
6732	Foundations including international activities	-3.0	2.2	-	2.2	6.8	-	-	6.8	**6.0**	0.6	-	5.4
81	Legal services	0.1	0.1	0.2	0.3	-	-	-	-	**0.4**	0.4	-	-
	Total*	$55.8	$80.6	$57.4	$138.0	$12.6	0.0	$6.3	$18.9	**$212.7**	$171.0	$13.1	$28.6
	1980												
80	Health services	$ 6.7	$37.9	$26.1	$ 64.0	$0.9	$4.4	$0.9	$ 6.2	**$ 76.9**	$ 65.1	$ 5.3	$ 6.5
82,892	Education/research	5.7	19.3	7.2	26.5	2.0	2.3	1.1	5.4	**37.6**	32.0	3.0	2.6
866	Religious organizations	22.3	-	-	-	0.8	-6.9	1.7	-4.4	**17.9**	12.9	0.8	4.2
83	Social services	5.0	1.9	8.5	10.4	0.5	0.1	0.3	0.9	**16.3**	13.7	0.4	2.2
864	Civic, social, and fraternal organizations	1.5	0.7	2.7	3.4	0.1	0.1	0.2	0.4	**5.3**	5.1	0.1	0.1
483,792, 84	Arts and culture	3.2	0.5	0.8	1.3	0.2	-	0.3	0.5	**5.0**	2.5	0.1	2.4
6732	Foundations including international activities	-2.6	3.5	-	3.5	3.4	-	-	3.4	**4.3**	0.4	-	3.9
81	Legal services	0.1	-	0.2	0.2	-	-	-	-	**0.3**	0.3	-	-
	Total*	$45.4	$60.3	$45.5	$105.8	$7.9	0.0	$4.5	$12.4	**$163.6**	$132.0	$ 9.7	$21.9

TABLE 4.1 (continued)

		Annual sources of funds									Disposition		
		Private contributions	Payments			Other receipts				**Total funds columns (1)+(4)+(8) or (10)+(11)+(12)**			
SIC code	Subsector	Total	Private sector	Government sector	Total	Endowment investment income	Church	Other	Total		Current operating expenditures[a]	Construction and capital improvements	Other including change in holding of funds[b]
	1977												
80	Health services	$ 5.0	$25.2	$16.6	$ 41.8	$0.6	$3.4	$0.5	$4.5	**$ 51.3**	$43.3	$ 4.4	$ 3.6
82,892	Education/research	4.0	14.5	5.0	19.5	1.5	1.7	0.7	3.9	**27.4**	23.7	2.1	1.6
866	Religious organizations	17.0	-	-	-	0.6	-5.3	1.3	-3.4	**13.6**	9.6	0.5	3.5
83	Social services	3.6	1.1	6.1	7.2	0.3	0.1	0.2	0.6	**11.4**	8.3	0.3	2.8
864	Civic, social, and fraternal organizations	1.2	0.5	2.1	2.6	0.1	0.1	0.2	0.4	**4.2**	4.0	0.1	0.1
483,792, 84	Arts and culture	2.3	0.3	0.5	0.8	0.2	-	0.2	0.4	**3.5**	1.6	0.1	1.8
6732	Foundations including international activities	-1.9	2.5	-	2.5	2.0	-	-	2.0	**2.6**	0.4	-	2.2
81	Legal services	0.1	-	0.2	0.2	-	-	-	-	**0.2**	0.2	-	-
	Total*	$33.8	$41.6	$30.5	$72.1	$5.3	0.0	$3.1	$8.4	**$114.2**	$ 91.1	$ 7.5	$15.6

Sources: The figures in this table represent an aggregation of many individual estimates made for specific subsectors from both private and government sources. Private sector contributions are estimated primarily from the American Association of Fund-Raising Counsel, Inc., *Giving USA*, various editions; and the Council for Financial Aid to Education, *Survey of Voluntary Support of Education*, various editions. Private contributions that are based on estimates from *Giving USA* are from the 1985 annual report and therefore differ slightly from those in the 1986 annual report. Tables 3.1, 3.2, and 3.3 incorporate the revised 1986 estimates. For health services and education and research, estimates are prepared largely from statistics published by the American Hospital Association, *Hospital Statistics*, various editions; and the U.S. Department of Education (National Center for Education Statistics), *The Condition of Education*, various editions. For social services; civic, social, and fraternal organizations; arts and culture; and legal services, the estimates for payments from the private and government sectors and other receipts are derived from distribution patterns of revenues for fiscal year 1982 developed by the Salamon et al., *Nonprofit Sector Project, Progress Report No. 3*, The Urban Institute. Basic foundation information is from The Foundation Center, *National Data Book*, and *The Foundation Directory*, various editions; and unpublished data from Internal Revenue Service. Published and unpublished data used to estimate employment, wages and salaries, current operating expenditures, and construction and capital improvement are provided principally by government agencies. Published sources include U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, various editions, and *Employment and Wages*, various editions; *Non-Profit Service Organizations: 1982*, as assembled by the National Center for Charitable Statistics. Estimates on religious institutions were derived from Interfaith Research Committee of the Commission on Private Philanthropy and Public Needs, "A Study of Religious Receipts and Expenditures in the United States," *Research Papers*, vol.I, 1977.

Dash = Less than $50 million or no entry is made because it does not apply to this subsector.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

[a] Specific estimates for wages and salaries, the major component of operating expenditures, are shown in Tables 4.12, 4.13, 4.14, 4.15, and 4.16.

[b] "Other, including change in holding of funds," is a residual item representing the difference between total funds and the sum of current operating expenditures and capital construction and improvements. This residual item serves to balance the total support and the total disposition of this support for each subsector of the independent sector.

[c] Religious organizations both receive contributions and provide them to other organizations of the independent sector. To present net estimates for the independent sector and to estimate the sacerdotal activities of religious organizations, adjustments are made in the receipts for the religious organization that shows the amount of money subtracted for use on nonsacerdotal activities.

[d] Foundation contributions to the various subsectors of the independent sector are included in the rows in the private contributions column, which is why these contributions show up as a negative estimate for foundations. Estimates placed in the cells for payments from the private sector represent contributions to foundations. Such estimates are not included in column totals for private sector payments but are added to the totals for the private contributions column. Foundations essentially are tax-exempt financial institutions engaged in receiving, investing, and distributing funds to organizations of the independent sector, to government institutions such as public universities, and to individuals. In order to avoid counting both the receipt and the distribution of foundation funds in the overall assessment of the total funds for the independent sector, the net contribution of foundations to the independent sector is estimated by adding contribution of foundations to endowment and subtracting the grants of foundations to the independent sector from total receipts of foundations.

▶ The two largest subsectors of the independent sector are health services, primarily hospitals, and education and research, primarily independent colleges and universities.

▶ From 1977 to 1984, annual funds increased 145 percent in the health services subsector; 138 percent in foundations, including international activities; 112 percent in religion; and 108 percent in education.

▶ The increase in annual funds was much slower in arts and culture, up 97 percent; in social services, up 88 percent; and in civic, social, and fraternal organizations, up 67 percent.

- The various subsectors rely heavily on different sources of support. The health services and education and research subsectors rely on fees from the private sector and payments from the government. The social services subsector and civic, social, and fraternal organizations rely on payments from government and private contributions. Religious organizations, primarily churches, are almost totally reliant on private contributions. Arts and cultural organizations rely heavily on private contributions, and foundations rely heavily on investment income from endowment and private contributions.

- In general, the expenditures of each subsector reflect the particular functions and services of that subsector. Foundations, religious organizations, and some arts and cultural organizations donate a substantial portion of their annual funds to individuals and to other charitable purposes. Therefore, a substantial portion of the "holding of funds" column reflects these activities. Because of the nature of the work of hospitals, education and research institutions, and arts organizations, these subsectors have more expenditures in construction and capital improvements than other subsectors. Other subsectors, such as social services and civic, social, and fraternal organizations, provide direct services and use a major proportion of their funds for current operating expenditures.

TABLE 4.2
INDEPENDENT SECTOR: SOURCES AND DISPOSITION OF ANNUAL FUNDS BY SUBSECTOR, 1984, 1983, 1982, 1980, AND 1977
(In percent)

		Annual sources of funds									Disposition		
		Private contributions	Payments			Other receipts				Total funds Columns (1)+(4)+(8) or (10)+(11)+(12)			
SIC code	Subsector	Total	Private sector	Government sector	Total	Endowment investment income	Church	Other	Total		Current operating expenditures	Construction and capital improvements	Other, including change in holding of funds[b]
	1984	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
80	Health services	8.3%	48.4%	35.4%	83.8%	1.1%	5.6%	1.3%	8.0%	100.0%	83.3%	6.7%	10.0%
82,892	Education/research	14.5	53.4	17.0	70.4	5.8	6.1	3.0	15.1	100.0	85.3	7.4	7.4
866	Religious organizations[c]	123.6	0.0	0.0	0.0	4.5	-37.5	9.4	-23.6	100.0	59.4	3.8	36.8
83	Social services	37.4	12.6	43.9	56.5	3.3	0.9	1.9	6.1	100.0	93.0	2.8	4.2
864	Civic, social, and fraternal organizations	30.0	12.9	50.0	62.9	1.4	1.4	4.3	7.1	100.0	95.7	1.4	2.9
483,792, 84	Arts and culture	66.7	10.1	13.0	23.2	2.9	0.0	7.2	10.1	100.0	49.3	1.4	49.3
6732	Foundations including international activities[d]	-67.7	54.8	0.0	54.8	112.9	0.0	0.0	112.9	100.0	9.7	0.0	90.3
81	Legal services	25.0	25.0	50.0	75.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
	Total[e]	**26.9%**	**37.8%**	**26.9%**	**64.7%**	**5.5%**	**0.0%**	**2.8%**	**8.4%**	**100.0%**	**79.5%**	**5.7%**	**14.8%**
	1983												
80	Health services	8.1%	49.4%	34.6%	84.1%	1.1%	5.5%	1.3%	7.9%	100.0%	84.1%	7.5%	8.3%
82,892	Education/research	14.8	53.4	17.3	70.6	5.6	6.1	2.9	14.6	100.0	85.8	7.5	6.7
866	Religious organizations	124.6	0.0	0.0	0.0	4.3	-38.7	9.8	-24.6	100.0	66.8	3.5	29.7
83	Social services	35.8	12.4	45.8	58.2	3.0	1.0	2.0	6.0	100.0	91.5	3.5	5.0
864	Civic, social, and fraternal organizations	29.7	12.5	50.0	62.5	1.6	1.6	4.7	7.8	100.0	95.3	1.6	3.1
483,792, 84	Arts and culture	66.7	9.5	12.7	22.2	3.2	0.0	7.9	11.1	100.0	47.6	1.6	50.8
6732	Foundations including international activities	-58.5	46.2	0.0	46.2	112.3	0.0	0.0	112.3	100.0	9.2	0.0	90.8
81	Legal services	25.0	25.0	50.0	75.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
	Total[e]	**26.3%**	**38.2%**	**26.8%**	**65.1%**	**5.8%**	**0.0%**	**2.9%**	**8.6%**	**100.0%**	**80.5%**	**6.2%**	**13.3%**

continued

TABLE 4.2 (continued)

		Annual sources of funds									Disposition		
		Private contributions	Payments			Other receipts				Total funds columns (1)+(4)+(8) or (10)+(11)+(12)			
SIC code	Subsector	Total	Private sector	Government sector	Total	Endowment investment income	Church	Other	Total		Current operating expenditures[c]	Construction and capital improvements	Other including change in holding of funds[d]
	1982												
80	Health services	8.0%	49.1%	34.8%	84.0%	1.1%	5.3%	1.5%	8.0%	100.0%	84.5%	7.3%	8.1%
82,892	Education/research	14.7	53.0	17.0	70.0	5.9	6.3	3.1	15.3	100.0	84.9	8.0	7.1
866	Religious organizations	125.4	0.0	0.0	0.0	4.5	-39.7	9.8	-25.4	100.0	71.4	3.6	25.0
83	Social services	34.1	12.4	48.1	60.5	2.7	1.1	1.8	5.4	100.0	88.6	3.2	8.1
864	Civic, social, and fraternal organizations	29.3	13.8	50.0	63.8	2.1	1.7	3.4	6.9	100.0	96.6	1.7	1.7
483,792, 84	Arts and culture	70.4	8.5	11.3	19.7	2.8	0.0	7.0	9.9	100.0	40.8	1.4	57.7
6732	Foundations including international activities	-50.0	36.7	0.0	36.7	113.3	0.0	0.0	113.3	100.0	10.0	0.0	90.0
81	Legal services	25.0	25.0	50.0	75.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
	Total[a]	**26.2%**	**37.9%**	**27.0%**	**64.9%**	**5.9%**	**0.0%**	**3.0%**	**8.9%**	**100.0%**	**80.4%**	**6.2%**	**13.4%**
	1980												
80	Health services	8.7%	49.3%	33.9%	83.2%	1.2%	5.7%	1.2%	8.1%	100.0%	84.7%	6.9%	8.5%
82,892	Education/research	15.2	51.3	19.1	70.5	5.3	6.1	2.9	14.4	100.0	85.1	8.0	6.9
866	Religious organizations	124.6	0.0	0.0	0.0	4.5	-38.5	9.5	-24.6	100.0	72.1	4.5	23.5
83	Social services	30.7	11.7	52.1	63.8	3.1	0.6	1.8	5.5	100.0	84.0	2.5	13.5
864	Civic, social, and fraternal organizations	28.3	13.2	50.9	64.2	1.9	1.9	3.8	7.5	100.0	96.2	1.9	1.9
483,792 84	Arts and culture	64.0	10.0	16.0	26.0	4.0	0.0	6.0	10.0	100.0	50.0	2.0	48.0
6732	Foundations including international activities	-60.5	81.4	0.0	81.4	79.1	0.0	0.0	79.1	100.0	9.3	0.0	90.7
81	Legal services	33.3	0.0	66.7	66.7	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
	Total[a]	**27.8%**	**36.9%**	**27.8%**	**64.7%**	**4.8%**	**0.0%**	**2.8%**	**7.6%**	**100.0%**	**80.7%**	**5.9%**	**13.4%**
	1977												
80	Health services	9.7%	49.1%	32.4%	81.5%	1.2%	6.6%	1.0%	8.8%	100.0%	84.4%	8.6%	7.0%
82/892	Education/research	14.6	52.9	18.2	71.2	5.5	6.2	2.6	14.2	100.0	86.5	7.7	5.8
866	Religious organizations	125.0	0.0	0.0	0.0	4.4	-39.0	9.6	-25.0	100.0	70.6	3.7	25.7
83	Social services	31.6	9.6	53.5	63.2	2.6	0.9	1.8	5.3	100.0	72.8	2.6	24.6
864	Civic, social, and fraternal organizations	28.6	11.9	50.0	61.9	2.4	2.4	4.8	9.5	100.0	95.2	2.4	2.4
84	Arts and culture	65.7	8.6	14.3	22.9	5.7	0.0	5.7	11.4	100.0	45.7	2.9	51.4
6732	Foundations including international activities	-73.1	96.2	0.0	96.2	76.9	0.0	0.0	76.9	100.0	15.4	0.0	84.6
81	Legal services	50.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0
	Total[a]	**29.6%**	**38.4%**	**26.7%**	**63.1%**	**4.6%**	**0.0%**	**2.7%**	**7.4%**	**100.0%**	**79.8%**	**6.6%**	**13.7%**

Sources: See Table 4.1.

[a] Totals may not add because of rounding.

SIC = Standard Industrial Classification.

[a] See note a in Table 4.1.

[b] See note b in Table 4.1.

[c] See note c in Table 4.1.

[d] See note d in Table 4.1.

▶ Private contributions declined steadily from 9.7 percent of total annual funds in the health services in 1977 to 8.0 percent in 1980, and then increased slightly, to 8.3 percent in 1984. Government payments to this subsector increased as a percentage of total support from 32.4 percent in 1977 to 35.4 percent in 1984. From 1977 to 1984, payments from the private sector averaged about 49 percent.

▶ The major source of funds for education and research institutions is payments from the private sector, primarily in the form of tuition and fees. Private payments were 53 percent of total annual funds in 1984 and about the same in other years.

▶ Religious organizations, primarily churches, rely on private contributions for about 90 percent of the annual funds for their activities within the church and for their donations to other agencies.

▶ Social service organizations have become more reliant on private contributions and less on government payments. Since 1977, private contributions have increased from 31.6 percent to 37.4 percent of total annual funds. Government payments as a percentage of total annual funds for the subsector have steadily declined from 53.5 percent in 1977 to 43.9 percent in 1984, a drop of nearly 10 percentage points.

▶ Civic, social, and fraternal organizations depend on government funds for half of their annual funds. Private contributions and payments have increased their percentage of total annual funds slightly since 1977, from 40.5 percent to 42.9 percent in 1984.

▶ Most of the annual funds for arts and cultural organizations come from private contributions. They represent about two-thirds of total annual funds, with the remainder distributed among government (one-eighth); private payments for membership and admissions (one-tenth); and other receipts, including endowment and investment income (one-tenth).

▶ Foundations rely primarily on private contributions and income from endowment to support their grant-making activities. Since 1982, endowment represent about 70 percent of annual funds of foundations and private contributions, 30 percent. In 1980, these major sources were about evenly divided.

TABLE 4.3

INDEPENDENT SECTOR: TOTAL ANNUAL FUNDS BY SUBSECTOR, 1977, 1980, 1982, 1983, AND 1984

		1977		1980		1982		1983		1984	
SIC code	Subsector	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
80	Health services	$51.3	44.9%	$76.9	47.0%	$104.8	49.3%	$116.7	49.9%	$125.7	49.6%
82,892	Education/research	27.4	24.0	37.6	23.0	47.7	22.4	52.1	22.3	57.1	22.5
866	Religious organizations	13.6	11.9	17.9	10.9	22.4	10.5	25.6	10.9	28.8	11.4
83	Social services	11.4	10.0	16.3	10.0	18.5	8.7	20.1	8.6	21.4	8.4
864	Civic, social, and fraternal organizations	4.2	3.7	5.3	3.2	5.8	2.7	6.4	2.7	7.0	2.8
483,792, 84	Arts and culture	3.5	3.1	5.0	3.1	7.1	3.3	6.3	2.7	6.9	2.7
6732	Foundations, including international activities	2.6	2.3	4.3	2.6	6.0	2.8	6.5	2.8	6.2	2.4
81	Legal services	0.2	0.2	0.3	0.2	0.4	0.2	0.4	0.2	0.4	0.2
	Total*	**$114.2**	**100.0%**	**$163.6**	**100.0%**	**$212.7**	**100.0%**	**$234.1**	**100.0%**	**$253.5**	**100.0%**

Sources: See Table 4.1.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ Health services continued to command an increasing share of the total annual funds for the independent sector through 1983. From 1977 to 1982, the health services subsector increased its proportion of total annual funds from 44.9 percent to 49.3 percent. Since then, its share of total funds increased slightly, to 49.9 percent in 1983, and then declined to 49.6 percent in 1984.

▶ Other subsectors showed a slight decrease in the proportion of total annual funds. The education and research subsector decreased its proportion of total annual funds from 24.0 percent in 1977 to 22.5 percent in 1984. The social services subsector declined from 10.0 percent in 1977 to 8.4 percent in 1984. There was also a decline in their proportion of total annual funds among religious institutions; arts and cultural organizations; and civic, social, and fraternal organizations.

TABLE 4.4

ALL EMPLOYEES ON NONAGRICULTURAL PAYROLLS (ANNUAL AVERAGES) BY EMPLOYMENT UNIVERSE, 1977, 1982, 1983, AND 1984

	1977		1982		1983		1984	
Employment universe	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent
All nonprofit organizations	5,990.8	100.0%	7,052.1	100.0%	7,142.8	100.0%	7,185.4	100.0%
Independent sector	**5,519.5**	**92.1**	**6,543.0**	**92.8**	**6,638.6**	**92.9**	**6,676.5**	**92.9**
Other nonprofit organizations	471.3	7.9	509.1	7.2	504.2	7.1	508.9	7.1
Business associations	77.2	1.3	84.5	1.2	84.0	1.2	86.0	1.2
Professional membership organizations	31.4	0.5	35.9	0.5	37.0	0.5	38.1	0.5
Labor unions and similar organizations	141.0	2.4	144.1	2.0	136.4	1.9	135.2	1.9
Political and membership organizations n.e.c.	61.9	1.0	65.1	0.9	64.5	0.9	67.3	0.9
Hotels and other lodging places	16.4	0.3	18.8	0.3	18.2	0.3	18.2	0.3
Membership, sports and recreation clubs	94.4	1.6	107.2	1.5	110.6	1.5	110.6	1.5
Commercial research development and testing laboratories	35.6	0.6	40.1	0.6	40.1	0.6	40.1	0.6
Management consulting and public relations services	13.4	0.2	13.4	0.2	13.4	0.2	13.4	0.2
All employees	82,491	-	89,566	-	90,196	-	94,461	-

Sources: U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, various editions and unpublished materials; *Non-Profit Organizations: 1982*, as assembled by the National Center for Charitable Statistics. Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982," Working Paper 77, Program on Non-Profit Organizations, Yale University, 1983; and authors' estimates.

n.e.c. = Not elsewhere classified. Political and membership organizations n.e.c. include political organizations and clubs and such organizations as animal humane societies, farm bureaus, farm groups, Christian Science reading rooms, and automobile associations.

Dash = Not applicable.

▶ Employment in independent sector organizations accounted for approximately 93 percent of total employment among tax-exempt organizations in 1984.

▶ Employment in the independent sector grew from 5.5 million in 1977 to 6.7 million in 1984. However, there was little real growth in employment between 1983 and 1984.

▶ Employment in the independent sector grew faster than employment in the rest of the economy from 1977 to 1982. From 1982 to 1984, this trend reversed. Although employment grew less than 1 percent in the independent sector from 1982 to 1984, it grew almost 5 percent in the economy as a whole.

TABLE 4.5

WAGES AND SALARIES OF EMPLOYEES ON NONAGRICULTURAL PAYROLLS BY EMPLOYMENT UNIVERSE, 1977, 1982, 1983, AND 1984

	1977		1982		1983		(1984)	
Employment universe	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Other than nonprofit organizations	$891.1	94.5%	$1,416.2	94.1%	$1,497.4	94.1%	$1,662.4	94.4%
Nonprofit organizations	51.8	5.5	88.7	5.9	94.7	5.9	99.4	5.6
Independent sector	**46.7**	**5.0**	**80.7**	**5.4**	**86.3**	**5.4**	**90.6**	**5.1**
Other nonprofit organizations	5.1	0.5	8.0	0.5	8.4	0.5	8.8	0.5
Business associations	0.9	-	1.5	-	1.6	-	1.7	-
Professional membership organizations	0.4	-	0.6	-	0.7	-	0.8	-
Labor unions and similar organizations	1.7	-	2.6	-	2.7	-	2.7	-
Political and membership organizations n.e.c.	0.5	-	0.8	-	0.9	-	0.9	-
Hotels and other lodging places	0.1	-	0.2	-	0.2	-	0.2	-
Membership, sports and recreation clubs	0.7	-	1.1	-	1.1	-	1.2	-
Commercial reseach development and testing laboratories	0.6	-	1.0	-	1.0	-	1.1	-
Management consulting and public relations services	0.2	-	0.2	-	0.2	-	0.2	-
Total	$942.9	100.0%	$1,504.9	100.0%	$1,592.1	100.0%	$1,761.8	100.0%

Sources: See Table 4.4.

Dash = Less than 0.5 percent.

n.e.c. = Not elsewhere classified. Political and membership organizations n.e.c. include political organizations and clubs and such organizations as animal humane societies, farm bureaus, farm groups, Christian Science reading rooms, and automobile associations.

▶ The total wages and salaries of employees in the independent sector grew from 5.0 percent of total wages and salaries for all employees in 1977 to 5.4 percent of total wages and salaries in 1982 and 1983. In 1984, total wages and salaries for employees in the independent sector declined slightly, to 5.1 percent of all wages and salaries

TABLE 4.6

INDEPENDENT SECTOR: EMPLOYEES (ANNUAL AVERAGES) BY SUBSECTOR AND COMPONENT, 1977, 1982, 1983, AND 1984

		1977		1982		1983		1984	
SIC code	Subsector and component	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent	Number (000s)	Percent
80	**Health services**	**2,458.7**	**44.5%**	**3,074.9**	**47.0%**	**3,115.3**	**46.9%**	**3,116.3**	**46.7%**
805	Nursing and personal care facilities	206.4	3.7	288.2	4.4	298.9	4.5	309.2	4.6
806	Hospitals	2,121.1	38.4	2,593.7	39.6	2,612.8	39.4	2,575.6	38.6
808,809	Outpatient care and allied services	131.2	2.4	193.0	2.9	203.6	3.1	231.5	3.5
82,892	**Education/research**	**1,279.7**	**23.2**	**1,442.9**	**22.1**	**1,467.4**	**22.1**	**1,483.5**	**22.2**
821	Private elementary and secondary schools	427.7	7.7	527.9	8.1	537.7	8.1	547.7	8.2
822	Private colleges and universities	702.6	12.7	753.2	11.5	767.6	11.6	770.2	11.5
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	49.4	0.9	53.5	0.8	53.2	0.8	54.7	0.8
892	Noncommercial educational, scientific, and research organizations	100.0	1.8	108.3	1.7	108.9	1.6	110.9	1.7
866	**Religious organizations**	**678.5**	**12.3**	**691.2**	**10.6**	**670.0**	**10.1**	**645.5**	**9.7**
83	Social services	702.7	12.7	906.9	13.9	942.5	14.2	972.4	14.6
8321	Individual and family services	112.4	2.0	211.1	3.2	222.5	3.4	228.1	3.4
8331	Job training and related services	129.6	2.3	171.3	2.6	174.3	2.6	175.4	2.6
8351	Child day care services	141.3	2.6	149.7	2.3	153.4	2.3	159.7	2.4
8361	Residential care	141.5	2.6	172.4	2.6	183.2	2.8	96.0	2.9
8399	Social services n.e.c.	177.9	3.2	202.4	3.1	209.1	3.1	212.2	3.2
864	**Civic, social, and fraternal organizations**	**305.4**	**5.5**	**305.1**	**4.7**	**317.7**	**4.8**	**328.3**	**4.9**
483,792, 84	**Arts and culture**	**65.7**	**1.2**	**89.1**	**1.3**	**93.4**	**1.5**	**98.2**	**1.5**
483	Radio and TV broadcasting	9.6	0.2	11.6	0.2	11.6	0.2	11.6	0.2
792	Producers, orchestras, and entertainers	27.2	0.5	41.6	0.6	44.0	0.7	44.5	0.7
84	Museums, botanical and zoological gardens	28.9	0.5	35.9	0.5	37.8	0.6	42.1	0.6
6732	**Foundations, including international activities**	**16.4**	**0.3**	**18.4**	**0.3**	**17.8**	**0.3**	**17.8**	**0.3**
81	**Legal services**	**12.4**	**0.2**	**14.5**	**0.2**	**14.5**	**0.2**	**14.5**	**0.2**
	Total*	**5,519.5**	**100.0%**	**6,543.0**	**100.0%**	**6,638.6**	**100.0%**	**6,676.5**	**100.0%**

Sources: See Table 4.4.

n.e.c. = Not elsewhere classified. Social services n.e.c. include fund-raising organizations such as local United Ways, organizations engaged in social change and neighborhood development and improvement, and other social welfare organizations.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ Employment in the health services subsector constituted 46.7 percent of total employment of the independent sector in 1984. However, the percentage of employment in health services peaked in 1982 and declined slightly from 1982 to 1984. This decline took place at hospitals, where both the number of employees and the proportion of total employment declined from 39.6 percent of total employment for the independent sector in 1982 to 38.6 percent in 1984. Employment increased markedly from 1977 to 1984 in nursing and personal care facilities and outpatient care and allied services.

▶ Employment in the education and research subsector declined from 23 percent of total employment in the independent sector in 1977 to 22 percent in 1984. The declining rate of growth in employment at private colleges and universities was the primary reason for this decline.

▶ Employment in religious organizations declined from 12.3 percent of total employment in the independent sector in 1977 to 9.7 percent in 1982.

▶ Employment in social services increased significantly from 1977 to 1984. Social services increased its proportion of total employment in the independent sector from 12.7 percent in 1977 to 14.6 percent in 1984. Employment in the social services grew fastest in the area of individual and family services.

▶ From 1977 to 1984, the proportion of total employment in civic, social, and fraternal organizations decreased slightly, and the proportion of total employment in arts and cultural organizations increased slightly.

TABLE 4.7

INDEPENDENT SECTOR: WAGES AND SALARIES BY SUBSECTOR AND COMPONENT, 1977, 1982, 1983, AND 1984

		1977		1982		1983		1984	
SIC code	Subsector and component	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
80	**Health services**	**$22.8**	**48.8%**	**$44.4**	**55.0%**	**$47.5**	**55.0%**	**$49.6**	**54.8%**
805	Nursing and personal care facilities	1.2	2.6	2.6	3.2	2.8	3.2	3.0	3.3
806	Hospitals	20.3	43.5	39.2	48.6	41.9	48.6	43.5	48.0
808,809	Outpatient care and allied services	1.3	2.8	2.6	3.2	2.8	3.2	3.1	3.4
82,892	**Education/research**	**13.2**	**28.3**	**18.2**	**22.6**	**19.1**	**22.1**	**20.3**	**22.4**
821	Private elementary and secondary schools	3.2	6.9	5.1	6.3	4.9	5.7	5.0	5.5
822	Private colleges and universities	8.3	17.8	10.3	12.8	11.3	13.1	12.2	13.5
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	0.4	0.9	0.5	0.6	0.5	0.6	0.5	0.6
892	Noncommercial educational, scientific, and research organizations	1.3	2.8	2.3	2.9	2.4	2.8	2.6	2.9
866	**Religious organizations**	**4.1**	**8.8**	**6.8**	**8.4**	**7.3**	**8.5**	**7.3**	**8.1**
83	Social services	4.1	8.8	7.5	9.3	8.4	9.7	9.1	10.0
8321	Individual and family services	0.7	1.5	1.9	2.4	2.2	2.6	2.3	2.5
8331	Job training and related services	0.5	1.1	0.9	1.1	1.0	1.2	1.1	1.2
8351	Child day care services	0.7	1.5	1.0	1.2	1.1	1.3	1.2	1.3
8361	Residential care	0.9	1.9	1.5	1.9	1.7	2.0	1.9	2.1
8399	Social services n.e.c.	1.3	2.8	2.2	2.7	2.4	2.8	2.6	2.9
864	**Civic, social, and fraternal organizations**	**1.5**	**3.2**	**2.1**	**2.6**	**2.3**	**2.7**	**2.5**	**2.8**
483,792, 84	**Arts and culture**	**0.6**	**1.3**	**1.1**	**1.4**	**1.1**	**1.3**	**1.2**	**1.3**
483	Radio and TV broadcasting	0.1	0.2	0.2	0.3	0.2	0.2	0.2	0.2
792	Producers, orchestras, and entertainers	0.3	0.6	0.5	0.6	0.5	0.6	0.5	0.6
84	Museums, botanical and zoological gardens	0.2	0.4	0.4	0.5	0.4	0.5	0.5	0.6
6732	**Foundations, including international activities**	**0.2**	**0.4**	**0.3**	**0.4**	**0.3**	**0.4**	**0.3**	**0.3**
81	**Legal services**	**0.2**	**0.4**	**0.3**	**0.4**	**0.3**	**0.4**	**0.3**	**0.3**
	Total*	**$46.7**	**100.0%**	**$80.7**	**100.0%**	**$86.3**	**100.0%**	**$90.6**	**100.0%**

Sources: See Table 4.4.

n.e.c. = Not elsewhere classified. Social services n.e.c. include fund-raising organizations such as local United Ways, organizations engaged in social change and neighborhood development and improvement, and other social welfare organizations.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ Wages and salaries in the health services subsector represent more than half the total wages and salaries for the whole independent sector. Hospital wages account for most of the wages and salaries in health services. Total wages and salaries in hospitals grew from 43.5 percent of total wages for the sector in 1977 to 48.6 percent in 1982, and declined slightly in 1984.

▶ Wages and salaries in education and research institutions declined from 28.3 percent of the total wages for the independent sector in 1977 to a low of 22.1 percent in 1983, then increased slightly in 1984.

▶ Salaries in social services increased from 8.8 percent of total wages and salaries for the independent sector in 1977 to 10.0 percent in 1984.

TABLE 4.8

INDEPENDENT SECTOR: EMPLOYMENT BY SEX, BLACK, AND HISPANIC ORIGIN, 1984

		Number				Percent		
SIC code	Subsector and component	All (000s) (1)	Women (000s) (2)	Blacks (000s) (3)	Hispanic[a] origin (000s) (4)	Women Column (2) divided by column (1) (5)	Blacks Column (3) divided by column (1) (6)	Hispanic origin Column (4) divided by column (1) (7)
80	**Health services**	**3,116.3**	**2,395.5**	**513.8**	**127.4**	**76.9%**	**16.5%**	**4.1%**
805	Nursing and personal care facilities	309.2	271.5	57.5	13.0	87.8	18.6	4.2
806	Hospitals	2,575.6	1,970.3	430.1	105.6	76.5	16.7	4.1
808,809	Outpatient care and allied services	231.5	153.7	26.2	8.8	66.4	11.3	3.8
82,892	**Education/research**	**1,483.5**	**845.4**	**156.7**	**52.9**	**57.0**	**10.6**	**3.6**
821	Private elementary and secondary schools	547.7	383.4	63.0	21.9	70.0	11.5	4.0
822	Private colleges and universities	770.2	380.5	72.4	23.1	49.4	9.4	3.0
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	54.7	41.0	13.9	6.1	75.0	25.4	11.2
892	Noncommercial educational, scientific, and research organizations	110.9	40.5	7.4	1.8	36.5	6.7	1.6
866	**Religious organizations**	**645.5**	**284.0**	**43.2**	**16.1**	**44.0**	**6.7**	**2.5**
83	**Social services**	**972.4**	**722.4**	**175.0**	**49.1**	**74.3**	**18.0**	**5.1**
8321	Individual and family services	228.1	179.1	41.1	12.5	78.5	18.0	5.5
8331	Job training and related sevices	176.4	94.2	33.7	6.4	53.4	19.1	3.6
8351	Child day care services	159.7	153.6	27.8	7.8	96.2	17.4	4.9
8361	Residential care facilities	196.0	134.7	32.1	7.1	68.7	16.4	3.6
8399	Social services n.e.c.	212.2	160.8	40.3	15.3	75.8	19.0	7.2
864	**Civic, social, and fraternal organizations**	**328.3**	**182.2**	**27.2**	**11.2**	**55.5**	**8.3**	**3.4**
483,792, 84	**Arts and culture**	**116.0**	**56.7**	**11.2**	**4.4**	**48.9**	**9.7**	**3.8**
483	Radio and TV broadcasting	11.6	5.4	1.5	0.6	46.6	12.9	5.2
792	Producers, orchestras, and entertainers	44.5	17.2	3.6	2.3	38.7	8.1	5.2
84	Museums, botanical and zoological gardens	42.1	21.6	4.5	0.4	51.3	10.7	1.0
6732	**Foundations, including international activities**	**17.8**	**12.5**	**1.6**	**1.1**	**70.2**	**9.0**	**6.2**
81	**Legal services**	**14.5**	**7.4**	**0.4**	**0.5**	**51.0**	**2.8**	**3.5**
	Total*	**6,676.5**	**4,493.6**	**927.5**	**261.6**	**67.3%**	**13.9%**	**3.9%**

Sources: U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, January 1985; and authors' estimates.

n.e.c. = Not elsewhere classified. Social services n.e.c. include fund-raising organizations such as local United Ways, organizations engaged in social change and neighborhood development and improvement, and other social welfare organizations.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

[a] Persons classified as being of Hispanic origin may be of any race.

▶ Of the 6.7 million employees on payrolls in the independent sector in 1984, two-thirds were women. Women accounted for about three-quarters of the employment in health services and social services and over half the employment in foundations, education and research institutions and civic, social, and fraternal organizations, and legal services.

▶ Blacks accounted for nearly 14 percent of the total employment in the independent sector. They represented 18 percent of total employment in social service organizations and nearly 17 percent in health service organizations.

▶ Hispanics represented approximately 4 percent of total employment in the independent sector, and over 5 percent of employment in foundations and social services.

TABLE 4.9

FULL-TIME EQUIVALENT EMPLOYMENT OF VOLUNTEERS 18 YEARS OLD AND OLDER IN PAST 12 MONTHS, OCTOBER 1985

Volunteer area (excluding informal—alone)	All sectors Columns (2)+(5)+(6)+(7)+	Private sector					Government				
		Nonprofit organizations				For-profit organizations		Federal	State and local		
		Independent sector			Other nonprofit organizations						
		All	Religious institutions	Other charitable organitions	All	All	All	All	All	State	Local
	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)	(000s)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Health	734.6	491.9	89.4	402.4	-	51.1	191.7	-	191.7	15.9	175.7
Education	629.7	349.0	113.8	235.2	-	22.7	257.9	-	257.9	17.1	240.9
Religious organizations	2,099.3	2,068.6	1,977.9	90.7	-	20.2	10.5	-	10.5	-	10.5
Social services and welfare	524.7	415.6	91.4	324.3	-	14.8	94.3	2.9	91.4	11.8	79.6
Civic, social, and fraternal associations	419.8	343.9	42.2	301.7	-	10.5	65.4	10.5	54.9	10.5	44.3
Community action	209.8	136.7	11.8	125.0	-	-	73.1	4.7	68.4	-	68.4
Justice		.	.	.							
Recreation[a]	419.8	330.1	37.2	292.8	-	8.5	81.2	1.7	79.6	5.1	74.5
Arts and culture	209.8	144.9	8.6	136.3	-	19.5	45.4	-	45.4	28.1	17.3
Work-related organizations	104.9	-	-	-	53.0	18.0	33.9	7.4	26.5	12.7	13.8
Political organizations	314.8	-	-	-	98.5	6.4	209.8	139.9	69.9	12.7	57.2
General fund raisers	524.7	452.9	97.8	355.1	-	10.0	61.9	2.0	59.9	6.0	53.9
Other		.	.	.							
Total	6,191.9	4,733.6	2,470.1	2,263.5	151.5	181.7	1,125.1	169.1	956.0	119.9	836.1
Percent distribution	100.0%	76.4%	39.9%	36.6%	2.5%	2.9%	18.2%	2.7%	15.4%	1.9%	13.5%
Assigned dollar value[b] (billions)	$101.2	$77.3	-	-	$2.6	$2.9	$18.4	-	-	-	-

Sources: The Gallup Organization, Inc., *Americans Volunteer*, 1985; Council of Economic Advisers, *Economic Report of the President*, various editions, and special analyses conducted at INDEPENDENT SECTOR.

Note: Transforming volunteer hours into full-time equivalent employment facilitates comparisons with paid employment for specific sectors. Seventeen hundred hours of work has been adopted as a reasonable approximation of the actual hours worked during a year. The total number of hours volunteered in each activity area is divided by 1,700 hours to derive the full-time equivalent employment of volunteers.

Dash = No cases reported or no estimates made.

Dot = Too few cases to estimate volunteer hours, and, therefore, full-time equivalent employment.

[a] In the initial analysis, recreation was included in the independent sector universe. The subsector to which the recreation area was eventually assigned, membership, sports, and recreation clubs, is included in other nonprofit organizations and not the independent sector, although the Gallup survey reports that some volunteers in the area of recreation indicated they volunteered for religious institutions that are defined as being within the independent sector. In instances in which volunteers reported other volunteer areas (health, education, social services, etc.) and a religious affiliation, the volunteered time was assigned to a similar subsector (health to health services, education to education/research, etc.). However, these subsectors are all included within the independent sector, unlike recreation, so the integrity of the independent sector universe was maintained. Table 2.10 shows how the value of volunteered time varies depending on whether recreation is included. Other tables in Chapter Two that carry assigned values for volunteers (Tables 2.3, 2.4, and 2.5) include people who volunteered in the area of recreation. In Chapter One, estimates for those people who volunteered in the area of recreation and for not-for-profit organizations were reassigned to other nonprofit organizations. In this table (Table 4.9), reallocating estimates for recreation from the independent sector to other nonprofit organizations would have the following results:

	Original				Revised			
	Number		Dollar value		Number		Dollar value	
	Total	Recreation	Total	Recreation	Total	Recreation	Total	Recreation
	(000s)	(000s)	(billions)	(billions)	(000s)	(000s)	(billions)	(billions)
Independent sector	4,733.6	330.1	$77.3	$5.3	4,403.5	-	$72.0	-
Other nonprofit organizations	151.5	-	2.6	-	481.6	330.1	7.9	$5.3

[b] The average hourly wage for nonagricultural workers, as reported in the *Economic Report of the President*, was increased by 12 percent (to estimate fringe benefits) and multiplied by the number of volunteer hours to estimate the value of volunteer time. For these calculations, only formal volunteer time to organizations was counted. In 1985, the hourly wage for nonagricultural workers was $9.61.

◀ TABLE 4.9

▶ In 1985, the full-time equivalent employment of volunteers 18 years old and older was approximately 6.2 million.

▶ Of the total full-time equivalent employment, 4.9 million worked for nonprofit organizations, 182,000 worked for for-profit organizations, and 1.1 million worked for government (169,000 for the federal government, and 956,000 for state and local governments).

▶ The total assigned dollar value for volunteer time contributed by persons 18 years old and older in 1985 was $101.2 billion. About $80 billion in volunteer time was contributed to nonprofit organizations, $2.9 billion to for-profit organizations, and $18.4 billion to government at all levels.

TABLE 4.10 ▶

▶ In terms of number of units, religious organizations, primarily religious institutions such as churches, make up more than 60 percent of the total organizations in the independent sector.

▶ Other subsectors that are large in terms of the number of reported organizations or entities are social service organizations; civic, social, and fraternal organizations; education and research institutions; and foundations.

TABLE 4.10
INDEPENDENT SECTOR: NUMBER OF OPERATING ENTITIES BY SUBSECTOR—MOST RECENT YEAR

SIC code	Subsector and component	Number	Year
80	**Health services**	**13,549**	**-**
805	Nursing and personal care facilities	3,046[a]	1982
806	Hospitals	3,539[b]	1984
808,809	Outpatient care and allied services	6,964[a]	1982
83,892	**Education/research**	**35,706**	**-**
821	Private elementary and secondary schools	27,694[c]	1983
822	Private colleges and universities	1,803[d]	1983-84
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	4,263[a]	1982
892	Noncommercial educational, scientific, and research organizations	1,946[a]	1982
866	**Religious organizations**	**338,244[e]**	**1983**
83	**Social services**	**52,571[a]**	**1982**
832	Individual and family services	17,236[a]	1982
833	Job training and related services	4,425[a]	1982
835	Child day care services	12,676[a]	1982
836	Residential care	7,633[a]	1982
839	Social services n.e.c.	10,601[a]	1982
864	**Civic, social, and fraternal organizations**	**35,457[a]**	**1982**
483,792, 84	**Arts and culture**	**4,208**	**-**
483	Radio and TV broadcasting	578[e]	1984
792	Producers, orchestras and entertainers	1,610[a]	1982
849	Museums, botanical and zoological gardens	2,020[a]	1982
6732	**Foundations, including international activities**	**24,261[f]**	**1982**
81	**Legal services**	**1,302[a]**	**1982**

Note: For each subsector, the latest number reported in the sources consulted is reported here.

n.e.c. = Not elsewhere classified. Social services n.e.c. include fund-raising organizations such as local United Ways, organizations engaged in social change and neighborhood development and improvement, and other social welfare organizations.

Dash = Does not apply.

SIC = Standard Industrial Classification.

[a] *Non-Profit Service Organizations:* 1982, as assembled by the National Center for Charitable Statistics.

[b] From American Hospital Association, *Hospital Statistics,* 1985 edition.

[c] From U.S. Department of Education (National Center for Education Statistics), *The Condition of Education,* 1985 edition.

[d] From U.S. Department of Education (National Center for Education Statistics), *Education Directory: Colleges and Universities, 1983-1984.*

[e] From U.S. Department of Commerce (Bureau of the Census), *Statistical Abstract of the United States: 1986.*

[f] From The Foundation Center, *National Data Book,* 10th Edition, New York, 1986.

TABLE 4.11

INDEPENDENT SECTOR: CURRENT OPERATING EXPENDITURES BY SUBSECTOR, 1977, 1982, 1983, AND 1984

SIC code	Subsector and component	1977		1982		1983		1984	
		Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
80	**Health services**	**$43.3**	**47.5%**	**$88.6**	**51.8%**	**$98.2**	**52.1%**	**$104.7**	**52.0%**
805	Nursing and personal care facilities	2.2	2.4	4.8	2.8	5.1	2.7	5.5	2.7
806	Hospitals	38.6	42.4	78.1	45.7	87.0	46.2	92.4	45.9
808,809	Outpatient care and allied services	2.5	2.7	5.7	3.3	6.1	3.2	6.8	3.4
82/892	**Education/research**	**23.7**	**26.0**	**40.5**	**23.7**	**44.7**	**23.7**	**48.7**	**24.2**
821	Private elementary and secondary schools	8.1	8.9	13.8	8.1	15.1	8.0	16.6	8.2
822	Private colleges and universities	11.9	13.1	20.6	12.0	23.0	12.2	25.1	12.5
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	0.8	0.9	1.2	0.7	1.2	0.6	1.2	0.6
892	Noncommercial educational, scientific, and research organizations	2.9	3.2	4.9	2.9	5.4	2.9	5.8	2.9
866	**Religious organizations**	**9.6**	**10.5**	**16.0**	**9.4**	**17.1**	**9.1**	**17.1**	**8.5**
83	**Social services**	**8.3**	**9.1**	**16.4**	**9.6**	**18.4**	**9.8**	**19.9**	**9.9**
8321	Individual and family services	1.4	1.5	5.0	2.9	4.9	2.6	5.1	2.5
8331	Job training and related services	0.9	1.0	2.2	1.3	1.8	1.0	2.0	1.0
8351	Child day care centers	1.2	1.3	1.5	0.9	1.8	1.0	2.0	1.0
8361	Residential care	1.9	2.1	3.3	1.9	3.5	1.9	3.9	1.9
8399	Social services n.e.c.	2.9	3.2	4.4	2.6	6.4	3.4	6.9	3.4
864	**Civic, social, and fraternal organizations**	**4.0**	**4.4**	**5.6**	**3.3**	**6.1**	**3.2**	**6.7**	**3.3**
483,792, 84	**Arts and culture**	**1.6**	**1.8**	**2.9**	**1.7**	**3.0**	**1.6**	**3.4**	**1.7**
483	Radio and TV broadcasting	0.5	0.5	0.8	0.5	0.9	0.5	1.0	0.5
792	Producers, orchestras, and entertainers	0.6	0.7	1.1	0.6	1.1	0.6	1.1	0.5
84	Museums, botanical and zoological gardens	0.5	0.5	1.0	0.6	1.0	0.5	1.3	0.6
6732	**Foundations, including international activities**	**0.4**	**0.4**	**0.6**	**0.4**	**0.6**	**0.3**	**0.6**	**0.3**
81	**Legal services**	**0.2**	**0.2**	**0.4**	**0.2**	**0.4**	**0.2**	**0.4**	**0.2**
	Total*	**$91.1**	**100.0%**	**$171.0**	**100.0%**	**$188.5**	**100.0%**	**$201.5**	**100.0%**

Sources: See Table 4.1; Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982," and authors' estimates.

n.e.c. = Not elsewhere classified.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ Expenditures in the independent sector grew from $91.1 billion in 1977 to $201.5 billion in 1984. Expenditures grew fastest from 1977 to 1982, and then slowed down. The rapid growth was primarily due to the rapid growth in expenditures at hospitals, which represented 42.4 percent of total expenditures in 1977 and 45.7 percent in 1982. After increasing to 46.2 percent of total expenditures in 1983, hospital expenditures declined in 1984 to 45.9 percent, not much different from the 1982 percentage.

▶ Expenditures in the education and research subsector declined from 26.0 percent of total expenditures for the independent sector in 1977 to 23.7 percent in 1982. Expenditures in this subsector started to increase slightly in 1984.

▶ Expenditures in religious organizations showed a steady decline from 10.5 percent of total expenditures in 1977 to 8.5 percent in 1984.

▶ Expenditures in social service organizations increased slightly from 9.1 percent of total expenditures in 1977 to 9.6 percent in 1982. This increase in expenditures reflected increases in individual and family services and in job training and related services accompanied by decreases in child day care centers, residential care, and social services n.e.c. The slight increase in expenditures for social services from 9.6 percent of total expenditures in 1982 to 9.9 percent in 1984 is primarily due to expenditures in social services n.e.c., which increased from 2.6 percent to 3.4 percent. These unclassified organizations include major fund-raising groups such as United Ways. Expenditures of all other social service organizations as a proportion of total expenditures have either remained steady or declined slightly since 1982.

▶ In civic, social, and fraternal organizations, expenditures as a proportion of total expenditures of the independent sector declined significantly from 1977 to 1982, and then remained fairly steady to 1984. Arts and culture, foundations, and legal services showed very little change in their share of expenditures throughout this period.

TABLE 4.12

HEALTH SERVICES SUBSECTOR: CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND EMPLOYMENT, 1984, 1983, 1982, AND 1977

		Current operating expenditures[a]		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions) (1)	Percent (2)	Amount (billions) (3)	Percent (4)	Percentage of current operating expenditures Column (3) divided by column (1) (5)	Number (000s) (6)	Percent (7)	Amount (actual) (8)	Independent sector = 100 (9)	Health services = 100 (10)
	1984										
805	Nursing and personal care facilities	$ 5.5	5.3%	$ 3.0	6.0%	54.5%	309.2	9.9%	$ 9,702	71.5	61.0
806	Hospitals	92.4	88.3	43.5	87.7	47.1	2,575.6	82.6	16,889	124.5	106.1
808,809	Outpatient care and allied services	6.8	6.5	3.1	6.3	45.6	231.5	7.4	13,391	98.7	84.1
80	**Health services**	**$104.7**	**100.0%**	**$49.6**	**100.0%**	**47.4%**	**3,116.3**	**100.0%**	**$15,916**	**117.3**	**100.0**
	Independent sector*	**$201.5**	-	**$90.6**	-	**45.0%**	**6,676.5**	-	**$13,570**	**100.0**	-
	1983										
805	Nursing and personal care facilities	$ 5.1	5.2%	$ 2.8	5.9%	54.9%	298.9	9.6%	$ 9,368	72.1	61.5
806	Hospitals	87.0	88.6	41.9	88.2	48.2	2,612.8	83.9	16,036	123.4	105.2
808,809	Outpatient care and allied services	6.1	6.2	2.8	5.9	45.9	203.6	6.5	13,752	101.3	86.4
80	**Health services**	**$ 98.2**	**100.0%**	**$47.5**	**100.0%**	**48.4%**	**3,115.3**	**100.0%**	**$15,247**	**117.3**	**100.0**
	Independent sector*	**$188.5**	-	**$86.3**	-	**45.8%**	**6,636.0**	-	**$13,000**	**100.0**	-
	1982										
805	Nursing and personal care facilities	$ 4.8	5.4%	$ 2.6	5.9%	54.2%	288.2	9.4%	$ 9,022	73.1	62.5
806	Hospitals	78.1	88.1	39.2	88.3	50.2	2,593.7	84.4	15,114	122.5	104.7
808,809	Outpatient care and allied services	5.7	6.4	2.6	5.9	45.6	193.0	6.3	13,472	109.2	93.3
80	**Health services**	**$ 88.6**	**100.0%**	**$44.4**	**100.0%**	**50.1%**	**3,074.9**	**100.0%**	**$14,439**	**117.1**	**100.0**
	Independent sector*	**$171.0**	-	**$80.7**	-	**47.2%**	**6,543.0**	-	**$12,334**	**100.0**	-
	1977										
805	Nursing and personal care facilities	$ 2.2	2.4%	$ 1.2	5.3%	54.5%	206.4	8.4%	$ 5,814	68.7	62.7
806	Hospitals	38.6	89.1	20.3	89.0	52.6	2,121.1	86.3	9,571	113.1	103.2
808,809	Outpatient care and allied services	2.5	5.8	1.3	5.7	52.0	131.2	5.3	9,909	117.1	106.9
80	**Health services**	**$ 43.3**	**100.0%**	**$22.8**	**100.0%**	**52.7**	**2,458.7**	**100.0%**	**$ 9,273**	**109.6**	**100.0**
	Independent sector*	**$ 91.1**	-	**$46.7**	-	**51.3%**	**5,519.5**	-	**$ 8,461**	**100.0**	-

Sources: See Table 4.11. Also, U.S. Department of Commerce (Bureau of the Census), *Statistical Abstract of the United States 1986, various editions.*

Dash = Not applicable.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

[a] The difference between total current operating expenditures and wages and salaries are fringe benefits of employees and other current expenditures. Among fringe benefits are health and other types of insurance and contributions to retirement programs paid by employers. Other current expenditures include those for occupancy of the premises, utilities, telephone, postage, office and other supplies, printing, travel, and professional and other services.

▶ Overall, total wages and salaries for the independent sector declined from 51.3 percent of total expenditures in 1977 to 45.0 percent in 1984. This trend is noticeable in the health services subsector where total wages and salaries declined from 52.7 percent of current operating expenditures in 1977 to 47.4 percent in 1984.

▶ Overall, the number of employees increased approximately 27 percent in the health services subsector from 1977 to 1984. The most rapid increases were in outpatient care and allied services, up 76 percent since 1977, and in nursing and personal care services, up 50 percent since 1977. Hospitals, which employ the great majority of employees in this subsector, fared differently. The total number of employees at hospitals increased 23 percent from 1977 to 1983, and then declined by 1 percent from 1983 to 1984. Hospital employment as a proportion of total employment in the health services subsector peaked at 86.3 percent in 1977 and declined to 82.6 percent in 1984, reflecting both the decline in hospital employment and the increase in employment in other health care areas.

▶ Average wages and salaries at hospitals increased rapidly from 1977 to 1982. In 1977, average wages and salaries at hospitals were 13 percent higher than the average wages for the independent sector and in 1982, they were 23 percent higher. Salaries have grown more slowly since 1982; in 1984, average wages and salaries at hospitals were approximately 25 percent higher than average wages and salaries for the sector as a whole.

▶ Although employment in outpatient care and allied services increased rapidly from 1977 to 1984, wages and salaries declined from 7 percent above average salaries for the health care subsector in 1977 to 16 percent below average in 1984.

▶ Average wages and salaries for nursing and personal care remained at about 62 percent of average wages and salaries for the health care subsector throughout this period.

TABLE 4.13

EDUCATION AND RESEARCH SUBSECTOR: CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND EMPLOYMENT, 1984, 1983, 1982, AND 1977

		Current operating expenditures		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions)	Percent	Amount (billions)	Percent	Percentage of current operating expenditures Column (3) divided by column (1)	Number (000s)	Percent	Amount (actual)	Independent sector = 100	Education/research = 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1984										
821	Private elementary and secondary schools	$ 16.6	34.1%	$ 5.0	24.6%	30.1%	547.7	36.9%	$ 9,129	67.3	66.7
822	Private colleges and universities	25.1	51.5	12.1	60.1	48.6	770.2	51.9	15,840	116.7	115.8
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	1.2	2.5	0.5	2.5	41.7	54.7	3.7	9,141	67.4	66.8
892	Noncommercial educational, scientific, and research organizations[a]	5.8	11.9	2.6	12.8	44.8	110.9	7.5	23,445	172.8	171.3
82,892	**Education/research**	**$ 48.7**	**100.0%**	**$20.3**	**100.0%**	**41.7**	**1,483.5**	**100.0%**	**$13,684**	**100.8**	**100.0**
	Independent sector*	**$201.5**	-	**$90.6**	-	**45.0%**	**6,676.5**	-	**$13,570**	**100.0**	-
	1983										
821	Private elementary and secondary schools	$ 15.1	33.8%	$ 4.9	25.7%	32.5%	537.7	36.6%	$ 9,113	70.1	70.0
822	Private colleges and universities	23.0	51.5	11.3	59.2	49.1	767.6	52.3	14,721	113.2	113.1
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	1.2	2.7	0.5	2.6	41.7	53.2	3.6	9,398	72.3	72.2
892	Noncommercial educational, scientific, and research organizations[a]	5.4	12.1	2.4	12.6	44.4	108.9	7.4	22,039	169.5	169.3
82,892	**Education/research**	**$ 44.7**	**100.0%**	**$19.1**	**100.0%**	**42.7**	**1,467.4**	**100.0%**	**$13,016**	**100.1**	**100.0**
	Independent sector*	**$188.5**	-	**$86.3**	-	**45.8%**	**6,638.6**	-	**$13,000**	**100.0**	-

TABLE 4.13 *continued*

		Current operating expenditures		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions)	Percent	Amount (billions)	Percent	Percentage of current operating expenditures column (3) divided by column (1)	Number (000s)	Percent	Amount (actual)	Independent sector = 100	Education/research = 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1982										
821	Private elementary and secondary schools	$ 13.8	34.1%	$ 5.1	28.0%	37.0%	527.9	36.6%	$ 9,661	78.3	76.6
822	Private colleges and universities	20.6	50.9	10.3	56.6	50.0	753.2	52.2	13,675	110.9	108.4
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	1.2	3.0	0.5	2.7	41.7	53.5	3.7	9,346	75.8	74.1
892	Noncommercial educational, scientific, and research organizations[a]	4.9	12.1	2.3	12.6	46.9	108.3	7.5	21,237	172.2	168.4
82,892	**Education/research**	**$ 40.5**	**100.0%**	**$18.2**	**100.0%**	**44.9**	**1,442.9**	**100.0%**	**$12,613**	**102.3**	**100.0**
	independent sector*	**$171.0**	-	**$80.7**	-	**47.2%**	**6,543.0**	-	**$12,334**	**100.0**	-
	1977										
821	Private elementary and secondary schools	$ 8.1	34.2%	$ 3.2	24.2%	39.5%	427.7	33.4%	$ 7,482	88.4	72.5
822	Private colleges and universities	11.9	50.2	8.3	62.9	69.7	702.6	54.9	11,813	139.6	114.5
823,824, 829	Other (libraries, correspondence schools, and educational services n.e.c.)	0.8	3.4	0.4	3.0	50.0	49.4	3.9	8,097	95.7	78.5
892	Noncommercial educational, scientific, and research organizations[a]	2.9	12.2	1.3	9.8	44.8	100.0	7.8	13,000	153.6	126.0
82,892	**Education/research**	**$ 23.7**	**100.0%**	**$13.2**	**100.0%**	**55.7**	**1,279.7**	**100.0%**	**$10,315**	**121.9**	**100.0**
	Independent sector*	**$ 91.1**	-	**$46.7**	-	**51.3%**	**5,519.5**	-	**$ 8,461**	**100.0**	-

Sources: U.S. Department of Education (National Center for Education Statistics), *Digest of Education Statistics*, various editions, and *Financial Statistics of Institutions of Higher Education*, various editions; *Non-Profit Service Organizations: 1982*, as assembled by the National Center for Charitable Statistics; U.S. Department of Commerce (Bureau of the Census), *Statistical Abstract of the United States*, various editions; U.S. Department of Labor (Bureau of Labor Statistics), *Employment and Earnings*, various editions, and unpublished materials; Rudney and Weitzman, "Significance of Employmeng and Earnings in the Philanthropic Sector, 1977-1982."

n.e.c. = Not elsewhere classified

Dash = Not applicable.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

[a] Among the research organizations included here are the Carnegie Institute, the National Bureau of Economic Research; the Brookings Institution, the American Cancer Society, and the Multiple Sclerosis Society.

▶ Although the number of employees at private elementary and secondary schools increased by almost 30 percent from 1977 to 1984, total wages and salaries declined from 39.5 percent of total current operating expenditures in 1977 to 30.1 percent in 1984. Average wages and salaries were 88.4 percent of the average wages and salaries in the independent sector in 1977 and 67.3 percent of the average in 1984.

▶ Wages and salaries for employees at private colleges and universities declined from 69.7 percent of current operating expenditures in 1977 to 48.6 percent in 1984. Average wages and salaries for these employees were 39.6 percent above average wages for the independent sector in 1977; they dropped to a low of 11 percent above the average wages for the sector in 1982, and then increased again to 17 percent above average wages for the sector in 1984. During this period, the number of employees increased by approximately 10 percent.

▶ In other education and research organizations, such as libraries and correspondence schools, wages and salaries declined from 50.0 percent of current operating expenditures in 1977 to 41.7 percent in 1982 and remained at that proportion to 1984. The number of employees in these organizations increased by almost 11 percent during this period; however, average wages and salaries declined from 95.7 percent of average wages for the independent sector in 1977 to 67.4 percent in 1984.

▶ Wages and salaries at noncommercial research organizations peaked at 46.9 percent of current operating expenditures in 1982, declined to 44.4 percent in 1983, and then rose slightly, to 44.8 percent, in 1984. The number of employees in these organizations rose nearly 11 percent during this period. Average wages and salaries increased from 54 percent above the average wages and salaries of the independent sector in 1977 to 73 percent in 1984.

TABLE 4.14
SOCIAL SERVICES SUBSECTOR: CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND EMPLOYMENT, 1984, 1983, 1982, AND 1977

		Current operating expenditures		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions)	Percent	Amount (billions)	Percent	Percentage of current operating expenditures Column (3) divided by column (1)	Number (000s)	Percent	Amount (actual)	Independent sector = 100	Social services = 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1984										
8321	Individual and family services	$ 5.1	25.6%	$ 2.3	25.3%	45.1%	228.1	23.5%	$10,083	74.3	107.7
8331	Job training and related services	2.0	10.1	1.1	12.1	55.0	175.4	18.0	6,271	46.2	67.0
8351	Child care services	2.0	10.1	1.2	13.2	60.0	159.7	16.4	7,514	55.4	80.3
8361	Residential care	3.9	19.6	1.9	20.9	48.7	196.0	16.4	9,694	71.4	103.6
8399	Social services n.e.c.	6.9	34.7	2.6	28.6	37.7	212.2	21.8	12,253	90.3	130.9
83	**Social services**	**$ 19.9**	**100.0%**	**$ 9.1**	**100.0%**	**45.7**	**972.4**	**100.0%**	**$ 9,358**	**69.0**	**100.0**
	Independent sector*	**$201.5**	**-**	**$90.6**	**-**	**45.0%**	**6,676.5**	**-**	**$13,570**	**100.0**	**-**
	1983										
8321	Individual and family services	$ 4.9	26.6%	$ 2.2	26.2%	44.9%	222.5	23.6%	$ 9,888	76.1	110.9
8331	Job training and related services	1.8	9.8	1.0	11.9	55.6	174.3	18.5	5,737	44.1	64.4
8351	Child care services	1.8	9.8	1.1	13.1	61.1	153.4	16.3	7,171	55.2	80.5
8361	Residential care	3.5	19.0	1.7	20.2	48.6	183.2	19.4	9,279	71.4	104.1
8399	Social services n.e.c.	6.4	34.8	2.4	28.6	37.5	209.1	22.2	11,478	88.3	128.8
83	**Social services**	**$ 18.4**	**100.0%**	**$ 8.4**	**100.0%**	**45.7**	**942.5**	**100.0%**	**$ 8,912**	**68.6**	**100.0**
	Independent sector*	**$188.5**	**-**	**$86.3**	**-**	**45.8%**	**6,638.6**	**-**	**$13,000**	**100.0**	**-**
	1982										
8321	Individual and family services	$ 5.0	30.5%	$ 1.9	25.3%	38.0%	211.1	23.3%	$ 9,000	73.0	108.8
8331	Job training and related services	2.2	13.4	0.9	12.0	40.9	171.3	18.9	5,254	42.6	63.5
8351	Child care services	1.5	9.1	1.0	13.3	66.7	149.7	16.5	6,680	54.2	80.8
8361	Residential care	3.3	20.1	1.5	20.0	45.5	172.4	19.0	8,701	70.5	105.2
8399	Social services n.e.c.	4.4	26.8	2.2	29.3	50.0	202.4	22.3	10,870	88.1	131.4
83	**Social services**	**$ 16.4**	**100.0%**	**$ 7.5**	**100.0%**	**45.7**	**906.9**	**100.0%**	**$ 8,270**	**67.1**	**100.0**
	Independent sector*	**$171.0**	**-**	**$80.7**	**-**	**47.2%**	**6,543.0**	**-**	**$12,334**	**100.0**	**-**
	1977										
8321	Individual and family services	$ 1.4	16.9%	$ 0.7	17.1%	50.0%	112.4	16.0%	$ 6,228	73.6	106.7
8331	Job training and related services	0.9	10.8	0.5	12.2	55.6	129.6	18.4	3,858	45.6	66.1
8351	Child care services	1.2	14.5	0.7	17.1	58.3	141.3	20.1	4,954	58.6	84.9
8361	Residential care	1.9	22.9	0.9	22.0	47.4	141.5	20.1	6,360	75.2	109.0
8399	Social services n.e.c.	2.9	34.9	1.3	31.7	44.8	177.9	25.3	7,307	86.4	125.2
83	**Social services**	**$ 8.3**	**100.0%**	**$ 4.1**	**100.0%**	**49.4**	**702.7**	**100.0%**	**$ 5,835**	**69.0**	**100.0**
	Independent sector*	**$ 91.1**	**-**	**$46.7**	**-**	**51.3%**	**5,519.5**	**-**	**$ 8,461**	**100.0**	**-**

Sources: See Table 4.11.

n.e.c. = Not elsewhere classified. Social services n.e.c. include organizations such as local United Ways, organizations engaged in social change and neighborhood development and improvement, and other social welfare organizations.

Dash = Not applicable.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ In this subsector, overall wages and salaries declined from 49.4 percent of current expenditures in 1977 to 45.7 percent in 1984. Average wages and salaries for social services were 69 percent of the average wages for the independent sector over this period except in 1982, when they dropped to 67 percent of average wages for the sector. The total number of employees increased by 38 percent from 1977 to 1984; however, the fastest growth occurred between 1977 and 1982.

▶ The number of employees in individual and family services increased by 103 percent from 1977 to 1984, although most of the growth in employment took place between 1977 and 1982. Current operating expenditures increased more than 250 percent from 1977 to 1982 (from $1.4 million to $5.0 billion) and remained fairly steady through 1984. Wages and salaries declined from 50.0 percent of current expenditures in 1977 to 45.1 percent in 1984. Average wages and salaries were at 74 percent of average wages and salaries for the independent sector in 1977, declined slightly in 1982, recovered in 1983 to 76 percent, but then sagged in 1984 to 74 percent.

▶ The number of employees in job training and related services increased by 35 percent from 1977 to 1984, although most of the growth in employment had taken place by 1982. Wages and salaries declined from 55.6 percent of current operating expenditures in 1977 to 40.9 percent in 1982, then increased to 55 percent in 1984. Current operating expenditures for these organizations more than doubled from 1977 to 1982, from $0.9 billion to $2.2 billion, then declined to $1.8 billion in 1983 and increased to $2.0 billion in 1984. The average wages and salaries for employees in job training and related services declined to 42.6 percent of the average for the independent sector in 1982, then increased to 46.2 percent of the average in 1984.

▶ In child care services, both the number of employees and current operating expenditures increased fairly steadily from 1977 to 1984. Average wages for employees in child care services were at 58.6 percent of the average salaries for the independent sector in 1977 and remained fairly steady at 55 percent of the average in 1983 and 1984.

▶ Residential care organizations grew rapidly from 1977 to 1982 and continued to grow, although less rapidly, after 1982. Average wages and salaries declined from 75 percent of the average wages for the independent sector in 1977 to 71 percent in 1984.

TABLE 4.15
ARTS AND CULTURE SUBSECTOR: CURRENT EXPENDITURES, WAGES AND SALARIES, AND EMPLOYMENT, 1984, 1983, 1982, AND 1977

		Current operating expenditures		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions) (1)	Percent (2)	Amount (billions) (3)	Percent (4)	Percentage of current operating expenditures. Column (3) divided by column (1) (5)	Number (000s) (6)	Percent (7)	Amount (actual) (8)	Independent sector = 100 (9)	Arts and culture = 100 (10)
	1984										
483	Radio and TV broadcasting	$ 1.0	29.4%	$ 0.2	16.7%	20.0%	11.6	11.8%	$17,241	127.1	141.1
792	Producers, orchestras, and entertainers	1.1	32.4	0.5	41.7	45.5	44.5	45.3	11,236	82.8	91.9
84	Museums, botanical and zoological gardens	1.3	38.2	0.5	41.7	38.5	42.1	42.9	11,876	87.5	97.2
483,792, 84	**Arts and culture**	**$ 3.1**	**100.0%**	**$ 1.2**	**100.0%**	**35.3%**	**98.2**	**100.0%**	**$12,220**	**90.1**	**100.0**
	Independent sector*	**$201.5**	**-**	**$90.6**	**-**	**45.0%**	**6,676.5**	**-**	**$13,570**	**100.0**	**-**
	1983										
483	Radio and TV broadcasting	$ 0.9	30.0%	$ 0.2	18.2%	22.2%	11.6	12.4%	$17,241	132.6	146.4
792	Producers, orchestras, and entertainers	1.1	36.7	0.5	45.5	45.5	44.0	47.1	11,364	87.4	96.5
84	Museums, botanical and zoological gardens	1.0	33.3	0.4	36.4	40.0	37.8	40.5	10,582	81.4	89.9
483,792, 84	**Arts and culture**	**$ 3.0**	**100.0%**	**$ 1.1**	**100.0%**	**36.7%**	**93.4**	**100.0%**	**$11,777**	**90.6**	**100.0**
	Independent sector*	**$188.5**	**-**	**$86.3**	**-**	**45.8%**	**6,638.6**	**-**	**$13,000**	**100.0**	
	1982										
483	Radio and TV broadcasting	$ 0.8	27.6%	$ 0.2	18.2%	25.0%	11.6	13.0%	$17,241	139.8	139.7
792	Producers, orchestras and entertainers	1.1	37.9	0.5	45.4	45.4	41.6	46.7	12,019	97.4	97.4
84	Museums, botanical and zoological gardens	1.0	34.5	0.4	36.4	40.0	35.9	40.3	11,142	90.3	90.3
483,792, 84	**Arts and culture**	**$ 2.9**	**100.0%**	**$ 1.1**	**100.0%**	**37.9**	**89.1**	**100.0%**	**$12,346**	**100.1**	**100.0**
	Independent sector*	**$171.0**	**-**	**$80.7**	**-**	**47.2%**	**6,543.0**	**-**	**$12,334**	**100.0**	**-**

TABLE 4.15 *continued*

		Current operating expenditures		Wages and salaries			Employment		Average annual wages and salaries		
SIC code	Subsector and component	Amount (billions)	Percent	Amount (billions)	Percent	Percentage of current operating expenditures column (3) divided by column (1)	Number (000s)	Percent	Amount (actual)	Independent sector = 100	Arts and culture = 100
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	1977										
483	Radio and TV broadcasting	$ 0.5	31.3%	$ 0.1	16.7%	20.0%	9.6	14.6%	$10,417	123.1	114.1
792	Producers, orchestras and entertainers	0.6	37.5	0.3	50.0	50.0	27.2	41.4	11,029	130.4	120.8
84	Museums, botanical and zoological gardens	0.5	31.3	0.2	33.3	40.0	28.9	44.0	6,920	81.8	75.8
483,792, 84	**Arts and culture**	**$ 1.6**	**100.0%**	**$ 0.6**	**100.0%**	**37.5**	**65.7**	**100.0%**	**$ 9,132**	**107.9**	**100.0**
	Independent sector*	**$ 91.1**	**-**	**$46.7**	**-**	**51.3%**	**5,519.5**	**-**	**$ 8,461**	**100.0**	**-**

Sources: See Table 4.11. Also, U.S. Department of Commerce (Bureau of the Census), *Statistical Abstract of the United States 1986*, various editions.

Dash = Not applicable.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

▶ Overall, in the arts and culture subsector, the proportion of current operating expenditures represented by wages and salaries declined from 37.5 percent in 1977 to 35.3 percent in 1984. Average wages and salaries for this subsector also declined, from 8 percent above the average wages and salaries for the independent sector in 1977 to 10 percent below the average for the sector in 1984. The number of employees increased by 49 percent from 1977 to 1984.

▶ The number of employees in radio and TV broadcasting grew 21 percent from 1977 to 1982. There was no growth from 1982 to 1984. Wages and salaries for this component increased from 20 to 25 percent of current operating expenditures from 1977 to 1982, and then declined to 20 percent in 1984. Wages and salaries increased from 23 percent above the average wages and salaries for the independent sector in 1977 to 40 percent above the average in 1982, and then declined to 27 percent above the average for the sector in 1984.

▶ Among producers, orchestras, and entertainers, the number of employees increased by 53 percent from 1977 to 1982. From 1982 to 1984, the number of employees increased 7 percent. Wages and salaries for this component declined from 50 to 45 percent of current operating expenditures from 1977 to 1982, and remained fairly steady to 1984. Average wages and salaries declined precipitously, from 30 percent above the average wages and salaries for the independent sector in 1977 to 17 percent below the average wages for the sector in 1984.

▶ The number of employees in museums and botanical and zoological gardens increased 46 percent from 1977 to 1984. Wages and salaries remained steady at 40 percent of current operating expenditures from 1977 to 1983, and then declined slightly, to 38.5 percent in 1984. Average wages and salaries for this component increased from 81.8 percent of average wages for the independent sector in 1977 to 90.3 percent in 1982, dropped to 81.4 percent in 1983, and climbed again to 87.5 percent in 1984.

TABLE 4.16
OTHER SUBSECTORS: CURRENT OPERATING EXPENDITURES, WAGES AND SALARIES, AND EMPLOYMENT, 1984, 1983, 1982, AND 1977

		Current operating expenditures	Wages and salaries		Employment	Average annual wages and salaries	
SIC code	Subsector	Amount (billions)	Amount (billions)	Percentage of current operating expenditures: Column (2) divided by column (1)	Number (000s)	Amount (actual)	Independent sector = 100
		(1)	(2)	(3)	(4)	(5)	(6)
	1984						
6372	Foundations, including international activities	$ 0.6	$ 0.3	50.0%	17.8	$16,854	124.2
864	Civic, social, and fraternal organizations	6.7	2.5	37.3	328.3	7,615	56.1
8661	Religious organizations	17.1	7.3	42.7	645.5	11,309	83.3
81	Legal services	0.4	0.3	75.0	14.5	20,690	152.5
	Independent sector*	**$201.5**	**$90.6**	**45.0%**	**6,676.5**	**$13,570**	**100.0**
	1983						
6372	Foundations, including international activities	$ 0.6	$ 0.3	50.0%	17.8	$16,854	129.6
864	Civic, social, and fraternal organizations	6.1	2.3	37.7	317.7	7,240	55.7
8661	Religious organizations	17.1	7.3	42.7	670.0	10,896	83.8
81	Legal services	0.4	0.3	75.0	14.5	20,690	159.2
	Independent sector*	**$188.5**	**$86.3**	**45.8%**	**6,638.6**	**$13,000**	**100.0**
	1982						
6372	Foundations, including international activities	$ 0.6	$ 0.3	50.0%	18.4	$16,304	132.2
864	Civic, social, and fraternal organizations	5.6	2.1	37.5	305.1	6,883	55.8
8661	Religious organizations	16.0	6.8	42.5	691.2	9,838	79.8
81	Legal services	0.4	0.3	75.0	14.5	20,690	167.7
	Independent sector*	**$171.0**	**$80.7**	**47.2%**	**6,543.0**	**$12,334**	**100.0**
	1977						
6372	Foundations, including international activities	$ 0.4	$ 0.2	50.0%	16.4	$12,195	144.1
864	Civic, social, and fraternal organizations	4.0	1.5	37.5	305.4	4,912	58.1
8661	Religious organizations	9.6	4.1	42.7	678.5	6,043	71.4
81	Legal services	0.2	0.2	00.0	12.4	16,129	190.6
	Independent sector*	**$ 91.1**	**$46.7**	**51.3%**	**5,519.5**	**$ 8,461**	**100.0**

Sources: See Table 4.11.

SIC = Standard Industrial Classification.

*Totals may not add because of rounding.

- The number of employees in foundations and organizations involved in international activities increased 12 percent from 1977 to 1982, then declined by about 3 percent in 1983, and showed no change from 1983 to 1984. Wages and salaries in this subsector remained steady at 50 percent of current operating expenditures from 1977 to 1984. Average wages and salaries declined from 44 percent above the average wages for the independent sector in 1977 to 24 percent above the average wages for the sector in 1984.
- The number of employees in civic, social, and fraternal organizations increased by 7 percent from 1977 to 1984. Wages and salaries remained fairly steady throughout the period at just over 37 percent of current operating expenditures. Average wages and salaries declined from 58.1 percent of the average wages for the independent sector in 1977 to 55.7 percent in 1983, and then increased slightly, to 56.1 percent in 1984.
- The number of employees at religious organizations increased 2 percent from 1977 to 1982, then declined 6 percent from 1982 to 1984. Wages and salaries were kept steady at slightly more than 42 percent of current operating expenditures throughout this period. Average wages and this subsector increased from 71 percent of the average wages and salaries for the independent sector in 1977 to approximately 83 percent of the average wages in 1983 and 1984.
- The number of employees in legal services increased 17 percent from 1977 to 1982. Average wages and salaries declined from 91 percent above the average wages for the independent sector in 1977 to 53 percent above the average wages for the sector in 1984.

TABLE 4.17

INDEPENDENT SECTOR: CURRENT OPERATING EXPENDITURES OF PRIVATE FOUNDATIONS, 1982

Current operating expenditures (exclusive of grants)	Amount (millions)	Percent	Expenditures as a percentage of assets[a]
Wages and salaries			
Compensation of officers	$ 49.50	16.2%	0.10%
Other salaries and wages	69.52	22.7	0.14
Fringe benefits	17.44	5.7	0.04
Other			
Professional services	35.69	11.7	0.07
Rent	13.47	4.4	0.03
Taxes	6.56	2.1	0.01
Other expenses[b]	12.47	36.7	0.23
Total	$306.31	100.0%[c]	0.64%

Source: U.S. Department of the Treasury (Internal Revenue Service), unpublished materials based on a sample of private foundations.

Note: The figures in this table include information for 3,318 non-grant-making, nonoperating foundations, but not for community foundations, which account for $30,540,000 in administrative expenses and $596,274,000 in assets.

[a] Total assets of $48,227,043,000. This table refers only to foundations' internal operating expenditures for charitable purposes and therefore does not include the $4.4 billion that these foundations contributed in 1982.

[b] Other expenses typically include telephone, electricity, travel, publications, office supplies, postage, and miscellaneous costs.

[c] Total does not add because of rounding.

- In this sample, current operating expenditures of foundations represented 0.64 percent of the $48.2 billion in assets. Although non-grant-making, nonoperating foundations are included with grant-making and operating foundations by the Internal Revenue Service for administrative purposes, they are not included as foundations by The Foundation Center. If this group of foundations were excluded from the sample, the current operating expenditures of grant-making and operating foundations would represent 0.57 percent of total assets.
- Wages and salaries, including fringe benefits, represented about 45 percent of current operating expenditures in 1982; rent and taxes, 7 percent; professional services, 12 percent; and other operating expenditures, 37 percent.

TABLE 4.18

NONPROFIT CHARITABLE ORGANIZATIONS: EXPENDITURES OF 501(C)(3) TAX-EXEMPT ORGANIZATIONS, EXCLUDING PRIVATE FOUNDATIONS, 1982

	All		Hospitals		Schools		Other organizations	
Account	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Paid personnel	$ 83.8	51.2%	$46.2	52.7%	$15.6	54.7%	$22.1	46.5%
Wages and salaries	71.7	43.8	39.4	45.0	13.5	47.4	18.8	39.6
Compensation of officers	1.4	0.9	0.3	0.3	0.3	1.1	0.8	1.7
Other salaries and wages	70.3	42.9	39.1	44.6	13.2	46.3	18.0	37.9
Fringe benefits	12.1	7.4	6.8	7.8	2.1	7.4	3.3	6.9
Pension plan contributions	2.4	1.5	1.3	1.5	0.5	1.8	0.6	1.3
Other employee benefits	5.7	3.5	3.3	3.8	0.9	3.2	1.5	3.2
Payroll taxes	4.0	2.4	2.2	2.5	0.7	2.5	1.2	2.5
Supplies	14.1	8.6	10.8	12.3	1.6	5.6	1.6	3.4
Communications (telephone, postage and shipping, printing, travel and meetings)	4.8	2.9	0.7	0.8	0.9	3.2	2.8	5.9
Professional fees (fund-raising, accounting, and legal)	0.9	0.5	0.2	0.2	0.1	0.4	0.5	1.1
Occupancy	4.1	2.5	1.2	1.4	1.1	3.9	1.8	3.8
Equipment rental and maintenance	2.2	1.3	1.1	1.3	0.5	1.8	0.7	1.5
Interest	3.4	2.1	2.0	2.3	0.5	1.8	1.0	2.1
Depreciation and depletion	5.0	3.1	3.5	4.0	0.3	1.1	1.3	2.7
Other (e.g., consulting fees, insurance, employee recruitment)	45.4	27.7	21.9	25.0	7.9	27.7	15.7	33.1
Total (current operating expenditures)	**$163.8**	**100.0%**	**$87.6**	**100.0%**	**$28.5**	**100.0%**	**$47.5**	**100.0%**
Plus: Grants and benefits	17.0	10.4**	0.1	0.1**	1.7	6.0**	15.1	31.8**
Grants and allocations	7.9	4.8	0.1	0.1	1.5	5.3	6.3	13.3
Specific assistance to individuals	8.8	5.4	0.0	0.0	0.2	0.7	8.6	18.1
Benefits paid to or for members	0.3	0.2	0.0	0.0	0.0	0.0	0.2	0.4
Total (expenses by function)	$180.8	110.4%	$87.7	100.1%	$30.2	106.0%	$62.6	131.8%
Plus: Payments to affiliates	0.6	0.4	0.1	0.1	0.0	0.0	0.5	1.1
Total (expenses)	$181.3	110.7%	$87.8	100.2%	$30.2	106.0%	$63.1	132.8%
Plus: Excess (deficit) for the year	15.0	9.2	4.7	5.4	5.4	19.0	4.9	10.3
Total (revenue)	**$196.3**	**119.8%****	**$92.5**	**105.6%****	**$35.6**	**124.9%****	**$68.0**	**143.2%****

Sources: U.S. Department of the Treasury (Internal Revenue Service), unpublished materials based on a sample of 501(c)(3) tax-exempt organizations.

Notes: This sample of tax-exempt organizations includes neither religious institutions (churches, synagogues, etc.) nor 501(c)(4) organizations (social welfare organizations and civic organizations), which are a part of the independent sector.

*Totals may not add because of rounding.

**Percent of total current operating expenditures.

▶ For this sample, current operating expenditures in 1982 were $164 billion, or 83.4 percent of total revenue ($196.3 billion).

▶ Approximately 51 percent of the current operating expenditures for these tax-exempt organizations went to wages and salaries and fringe benefits, which together constituted the largest single expenditure for these organizations. The second largest expenditure, representing 28 percent of current operating expenditures, was "other," including consulting fees, insurance, and employment recruitment. The other 21 percent of the current operating expenditures went for communications, occupancy, equipment, interest, depreciation, supplies, and professional fees.

▶ Hospitals and schools combined accounted for 65 percent of the total revenues of tax-exempt organizations.

TABLE 4.19

NONPROFIT CHARITABLE ORGANIZATIONS: REVENUE OF 501(C)(3) TAX-EXEMPT ORGANIZATIONS, EXCLUDING PRIVATE FOUNDATIONS, 1982

	All[a]		Hospitals		Schools		Other organizations	
Type of revenue	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent	Amount (billions)	Percent
Total contributions	$ 41.3	21.0%	$ 2.5	2.7%	$ 8.9	25.0%	$29.9	44.0%
Direct public contributions	17.3	8.8	1.5	1.6	3.9	11.0	11.9	17.5
Indirect public contributions (e.g., United Ways)	4.8	2.4	0.4	0.4	0.4	1.1	4.0	5.9
Government grants	19.2	9.8	0.6	0.6	4.6	12.9	13.9	20.4
Program service revenue	124.4	63.4	81.6[a]	87.9	19.7	55.3	23.1	34.0
Dues and assessments	2.5	1.3	0.1	0.1	0.2	0.6	2.2	3.2
Interest	3.4	1.7	1.1	1.2	0.7	2.0	1.5	2.2
Dividends	5.1	2.6	0.7	0.8	1.4	3.9	3.0	4.4
Net rental	0.5	0.3	0.0	0.0	0.1	0.3	0.4	0.6
Other investment income	1.0	0.5	0.1	0.1	0.2	0.6	0.7	1.0
Gain or loss on sale of assets	2.9	1.5	0.1	0.1	1.8	5.1	1.0	1.5
Net income from fund raising	0.9	0.5	0.1	0.1	0.1	0.3	0.7	1.0
Net income from sales	5.0	2.5	3.8	4.1	0.3	0.8	0.9	1.3
Other revenue	9.4	4.8	2.7	2.9	2.2	6.2	4.5	6.6
Total revenue*	**$196.3**	**100.0%**	**$92.8**	**100.0%**	**$35.6**	**100.0%**	**$68.0**	**100.0%**

Sources: See Table 4.18.

Note: See Notes to Table 4.18.

*Totals may not add because of rounding.

[a] A substantial proportion of program service revenue comes from government through payments from individuals using Medicare or Medicaid. This source of government funding from individuals to hospitals was not identified in the *Statistics of Income* study.

▶ In 1982, the largest source of revenue was program service revenue (including payments for services and tuition), which accounted for 63 percent of total revenue. The second largest source of revenue was total contributions, which accounted for 21 percent of total revenue; 11 percent of this came from private sources and 10 percent came from government.

▶ The breakdown of total revenue varied substantially between hospitals, schools, and all other tax-exempt organizations. Program service revenue (payments) constituted 88 percent of total revenue for hospitals compared with 55 percent for schools and 34 percent for all other tax-exempt organizations. Much of the hospital program service revenue is derived from individuals with health insurance from both the private sector and government.

▶ Total contributions represent 25 percent of total revenue for schools and 3 percent for hospitals but are the major source of revenue for all other tax-exempt organizations, representing 44 percent of total revenue. Private contributions make up 12 percent of total revenue for schools and 2 percent for hospitals, compared with 23 percent for all other tax-exempt organizations.

TABLE 4.20
HUMAN SERVICES: PERCENTAGE OF REVENUES FROM SELECTED SOURCES FOR NONPROFIT ORGANIZATIONS IN 12 METROPOLITAN SITES, 1982

	Percentage of organization's total revenues coming from:		
Site	Government	Fees, dues, charges	Private giving
Jackson, Mississippi	66%	7%	25%
Pittsburgh, Pennsylvania	51	21	17
Providence, Rhode Island	51	27	16
Boise, Idaho	44	14	34
San Francisco, California	44	33	15
New York, New York	43	17	20
Phoenix, Arizona	41	28	23
Minneapolis/St. Paul, Minnesota	37	33	22
Atlanta, Georgia	36	34	23
Dallas/Fort Worth, Texas	34	25	29
Flint, Michigan	33	32	17
Chicago, Illinois	32	29	29
Average for all sites[a]	**38%**	**30%**	**21%**

Source: Salamon et al., "Partners in Public Service: Government and the Nonprofit Sector in the American Welfare State," *Working Papers*, INDEPENDENT SECTOR, 1986.

Note: The survey excluded hospitals, institutions of higher education, and religious institutions, such as churches and synagogues.

[a] Average includes data from four nonmetropolitan sites also surveyed.

▶ In this survey, the three major sources of revenue for human service organizations were government (38 percent); fees, dues, and charges (30 percent); and private giving (21 percent). These three sources of revenue account for 89 percent of total revenue for these organizations.

▶ The proportion of total revenues coming from each source varied widely by location. Government support varied from 66 percent of total revenue in Jackson, Mississippi, to 32 percent in Chicago, Illinois.

▶ Dues, fees, and charges varied from 34 percent of total revenue in Atlanta, Georgia, to 7 percent in Jackson, Mississippi.

▶ Private giving varied from 34 percent of total revenue in Boise, Idaho, to 15 percent in San Francisco, California.

TABLE 4.21
HUMAN SERVICES: CHANGE IN GOVERNMENT SPENDING AND SUPPORT OF NONPROFIT ORGANIZATIONS IN 16 SITES, 1982-1983

Community[a]	Change in government spending, excluding Medicare and income assistance	Change in government support of nonprofit organizations, excluding Medicare
Boise (Ada County), Idaho	-7%	-12%
Pittsburgh (Allegheny County), Pennsylvania	-11	-13
Chicago (Cook County), Illinois	-5	-9
Dallas (Dallas County), Texas	-2	-5
Atlanta (Fulton County), Georgia	-6	-9
Flint (Genesee County), Michigan	+8	-5
Minneapolis (Hennepin County), Minnesota	+2	+5
Jackson (Hinds County), Mississippi	-6	-10
Phoenix (Maricopa County), Arizona	-1	-7
New York City	-2	-1
Casa Grande (Pinal County), Arizona	+2	-4
St. Paul (Ramsey County), Minnesota	+3	+7
Providence, Rhode Island	-4	-3
San Francisco, California	-4	-7
Caro (Tuscola County), Michigan	-3	+3
Vicksburg (Warren County), Mississippi	-6	-11
Unweighted average	-3%	-5%
Weighted average	-3%	-4%

Source: See Table 4.20.

[a] See Note to Table 4.20.

▶ Although government spending, excluding Medicare payments and income assistance, declined 3 percent from 1982 to 1983 in areas where nonprofit organizations are active, government support of nonprofit organizations, excluding Medicare, declined 4 percent.

▶ Changes in government support of nonprofit organizations varied widely by geographic location, ranging from an increase of 7 percent in St. Paul, Minnesota, to a decline of 13 percent in Pittsburgh, Pennsylvania.

TABLE 4.22
HUMAN SERVICES: NONPROFIT SECTOR INCOME BY SERVICE AREA AND FUNDING SOURCE, 1982

Service area[a]	Government	Fees	Private giving	Endowment investments	All remaining	Total*
Mental health	62%	28%	6%	3%	1%	100%
Social services	54	14	27	3	2	100
Legal services/advocacy	53	14	28	1	5	100
Housing/community development	52	27	18	3	1	100
Employment/training/income support	51	10	13	3	23	100
Institutional/residential care	50	32	12	4	2	100
Multiservices	44	24	26	3	3	100
Health	30	52	13	3	3	100
Education/research	26	32	30	9	6	100
Culture/arts/recreation	14	28	31	11	17	100
All agencies[a]	**38%**	**30%**	**21%**	**5%**	**6%**	**100%**

Source: See Table 4.20.

*Totals may not add because of rounding.

[a] See Note to Table 4.20.

- ▶ The proportion of total revenues from government varied from 62 percent in the area of mental health to 14 percent in culture, the arts, and recreation.
- ▶ The proportion of total revenues from fees varied from 52 percent in health organizations to 10 percent in employment, training, and income support.
- ▶ The proportion of total revenues from private giving varied from 31 percent in culture, the arts, and recreation to 6 percent in mental health.

TABLE 4.23

HUMAN SERVICES: INFLATION-ADJUSTED CHANGE IN REVENUE BY SERVICE AREA AND FUNDING SOURCE, 1981-1982

Service area[a]	Government	Fees	Private giving	Total revenues
Mental health	-0.1%	+29.4%	-6.1%	+6.5%
Social services	-8.8	+3.6	+2.8	-4.0
Legal services/ advocacy	-28.8	+19.2	+4.3	-15.5
Housing/community development	-15.6	+45.0	+14.0	+1.9
Employment/training/ income support	-12.7	+0.9	-1.0	-6.3
Institutional/ residential care	+4.1	+5.4	+15.1	+4.4
Multiservices	-8.1	+4.0	+4.0	-1.7
Health	-1.3	+6.6	-0.4	+3.3
Education/research	-7.3	+2.5	+6.9	+0.6
Culture/arts/recreation	-1.3	+8.5	+6.8	+5.7
All agencies[a]	**-6.3%**	**+6.6%**	**+5.0%**	**+0.5%**

Source: See Table 4.20.

[a] See the Note to Table 4.20.

▶ Figures adjusted for inflation show that the total revenue for human services increased by 0.5 percent between 1981 and 1982. However, the change in total revenue varied from an increase of 6.5 percent in mental health agencies to a decline of 15.5 percent in legal services and advocacy. Except for housing, those agencies that suffered the greatest decline in total revenue from 1981 to 1982 were the agencies that suffered from large declines in government support.

▶ Agencies that were able to offset federal budget cuts did so primarily by increasing fees and private contributions. Fees increased dramatically in housing and community development, in mental health agencies, and in legal services. There were major increases in private giving in institutional and residential care agencies and in the area of housing and community development.

TABLE 4.24

HUMAN SERVICES: INFLATION-ADJUSTED CHANGES IN GOVERNMENT AND NONGOVERNMENT SUPPORT AND TOTAL SPENDING FOR NONPROFIT AGENCIES IN 12 METROPOLITAN SITES, 1981-1982

	Inflation-adjusted change in		
Community[a]	Government support	Non-government support	Total spending
Atlanta, Georgia	-22.9%	+6.2%	-6.5%
Boise, Idaho	-18.6	+6.9	-6.0
Flint, Michigan	-15.9	-0.8	-6.3
Jackson, Mississippi	-11.5	+9.1	-5.4
Phoenix, Arizona	-10.9	+16.5	+3.6
Dallas/Fort Worth, Texas	-9.5	+10.5	+2.9
Providence, Rhode Island	-8.8	+4.8	-2.6
San Francisco, California	-6.4	+9.0	+1.6
Chicago, Illinois	-6.2	+3.0	-0.1
Pittsburgh, Pennsylvania	-6.2	+3.4	-1.7
Minneapolis/St. Paul, Minnesota	-2.5	+6.9	+3.2
New York, New York	+4.4	+1.6	+2.8
Average for all sites[b]	**-6.3%**	**+5.3%**	**+0.5%**

Source: See Table 4.20.

[a] See the general Note and Note a to Table 4.20.

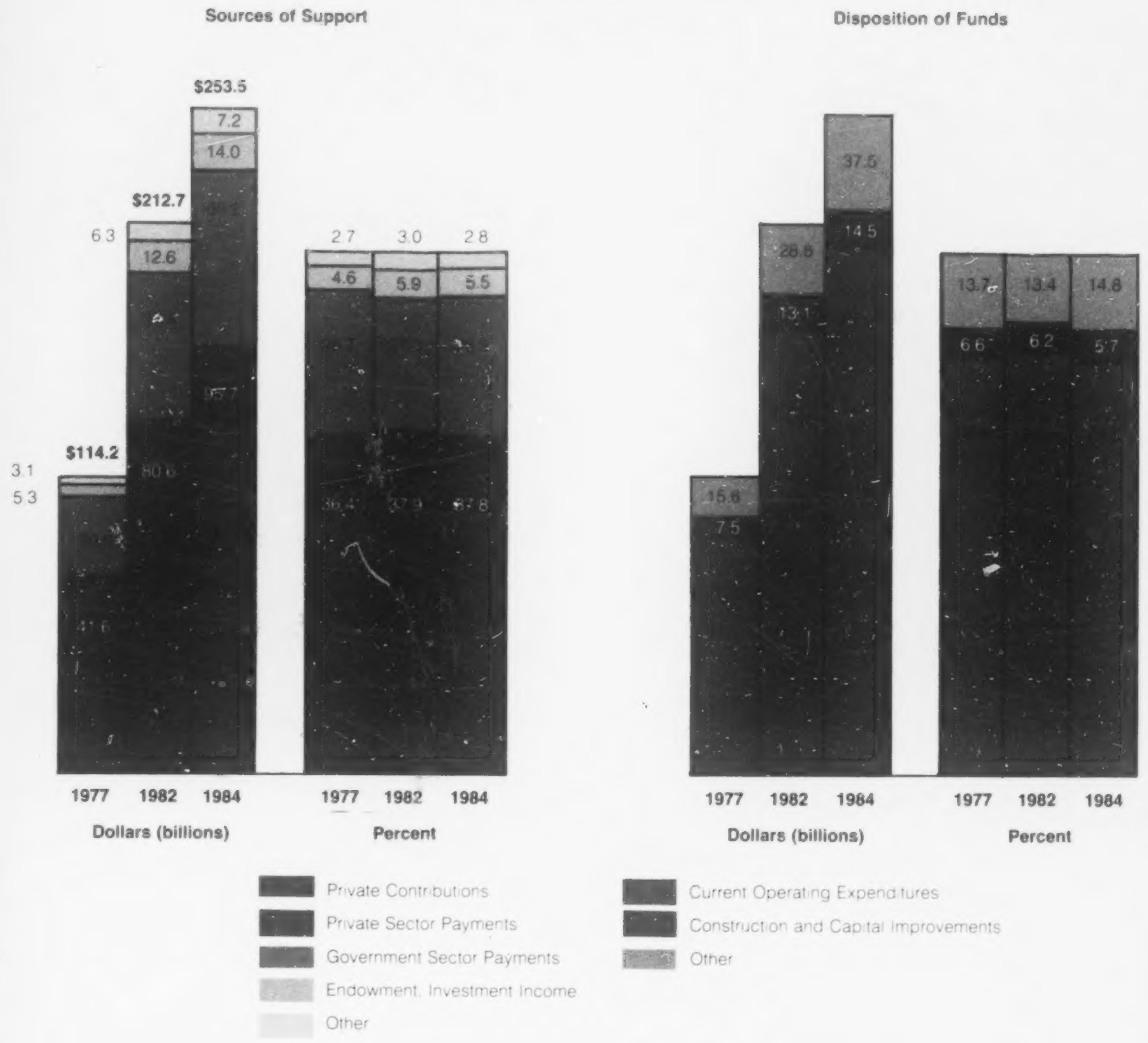
[b] Average includes data from four nonmetropolitan sites also surveyed.

▶ Those cities that suffered the greatest losses in government support to nonprofit organizations showed declines in total spending from 1981 to 1982. Atlanta, Boise, Flint, and Jackson suffered federal budget cutbacks of 12 percent or more from 1981 to 1982. Even with some increases in nongovernment support, nonprofit organizations in these four cities showed declines in total spending of 5 percent or more from 1981 to 1982.

▶ Even with large declines in government spending, Phoenix and Dallas/Fort Worth showed increases in total spending because of large increases in nongovernment support. Other cities showed a varied pattern in total spending, depending on the amount of decline in government support and the amount of increase in nongovernment support.

Independent Sector: Sources and Disposition of Annual Funds by Subsector

(see Table 4.1, page 117, and Table 4.2, page 119)



APPENDIX A
MEASURING THE SIZE, SCOPE, AND DIMENSIONS OF THE INDEPENDENT SECTOR: A PROGRESS REPORT

The first edition of *Dimensions of the Independent Sector: A Statistical Profile* in 1984 provided a basic formulation to measure the size, scope, and activities of the independent sector in order to show how it fits into American society. Through this process we identified not only the information that was available from various public and private sources, but also the many gaps that existed. Because of these numerous and serious gaps, we had to develop means of providing estimates for the scope and functions of this sector by piecing together data from various discrete surveys. In other areas, we could make no estimates at all because information simply did not exist. At the end of that first edition, we wrote an afterword outlining the major gaps in information that prevented an accurate description of this sector.[1]

This section describes the method used to develop our framework and the sources of information used for making estimates. Then we summarize what progress has been made since 1984 to fill in some of the information gaps on this sector. Finally, we outline the principal gaps that still prevent a complete description of this sector and suggest ways to fill them.

The Format for Measuring the Sector

In undertaking research on measuring the independent sector, we benefited from the work of our predecessors, particularly some of the work commissioned from 1973 to 1975 by the Commission on Private Philanthropy and Public Needs (the Filer Commission). In deriving our more recent estimates, we often replicated the steps and procedures used by some of those scholars. Before we did this work, however, we made an effort to define and distinguish the independent sector from all other nonprofit organizations. We developed a model of the independent sector (see Figure A.1) in order to understand and estimate its different dimensions, such as number of units, amount of employment, number of volunteers, sources of support, and uses of support.

The framework we developed not only helped us seek out information and identify information gaps, but also provided an overview of the sector. And it allowed us to chart the current state of information available on this sector. The model was designed to develop a way to measure the functions and activities of the independent sector within the context of the American society and economy. For example, by comparing the number of institutions, the employment, the sources and uses of support, and the output of this sector, we could begin to look at the other sectors of the American society and to distinguish the unique features of the independent sector. Until we produced our profile, attempts to describe this sector in those terms had been fragmentary. We knew our profile would be incomplete because of information gaps, but the model at least enabled us to pinpoint the gaps and provide goals for future information collection in both government and private surveys.

Information Sources for Estimating the Size and Scope of the Independent Sector

In estimating the size and scope of the independent sector, we used various public and private sources. We defined the overall dimensions as employment (both paid and volunteer), wages and salaries, number of institutions, and national income originating from this sector. We also developed a chart of accounts, including the total sources of support for the sector and the total uses of support. Finally, we further broke down these accounts to view the dimensions of each subsector within the independent sector: health services; education and research; religious organizations; social services; civic, social, and fraternal organizations; arts and culture; foundations and international activities; and legal services.

Employment and Wages and Salaries

In developing our estimates for the size of the independent sector from available research and government surveys, we found it best to start with employment, because wages and salaries constitute approximately half of the expenditures of nonprofit organizations.

On the basis of the 1983 employment study conducted by Gabriel Rudney and Murray Weitzman and sponsored by the Program on Non-Profit Organizations at Yale University,[2] we were able to construct an employment series for the independent sector. Rudney and Weitzman targeted 29 Standard Industrial Classification industries located in the service-producing segment of the private sector (as distinguished from the goods-producing segment) which

APPENDIX A—FIGURE A.1
AN ILLUSTRATION OF SOME OF THE ELEMENTS ASSOCIATED WITH THE INDEPENDENT SECTOR

ACTIVITIES		OUTPUT		RECEIPTS		EXPENDITURES	
		Indicators		**Cash**			
• Treating patients e.g. admissions, laboratory tests • Publishing newsletters e.g. information gathering, writing articles • Giving performances e.g. rehearsals, constructing scenery • Conducting museum tours, e.g. learning about the exhibits, preparing materials for audiences • Distributing food packages, e.g. soliciting donations, assembling packages	Equal to or transformed into:	• Number of examinations • Circulation volume • Number of performances, attendance • Number of visitors • Number of food packages distributed **Users of Output** • Consumers • Business • Government	Financed (made possible, validated) by flow of funds from such sources as:	• Charitable contributions —Individual gifts —Individual bequests —Corporations —Foundations —Government • Fees for service —Individuals —Corporations —Government • Capital Account —Return on capital —Disinvestment • Borrowing **In-kind receipts** • Volunteers (time) • Other—real estate, products, artwork	Pay for use of resources in such areas as:	• Labor —Paid —Volunteer • Goods and services • Space • Interest • Investment	In order to support such activities as:

Activities ⟶ Output ⟶ Receipts ⟶ Expenditures ⟶ Activities ⟶ Output ⟶ Receipts ⟶ Expenditures ⟶

contained nonprofit entities. There are undoubtedly some independent sector organizations in other Standard Industrial Classification industries which were not included in the study; for example, animal humane societies are in the category (SIC 869) of membership organizations, not elsewhere classified, and there are undoubtedly independent sector organizations in manufacturing (printing and publishing) and in retail trade (Goodwill Industry shops). As data become available, researchers should not overlook employment in such industries in trying for complete coverage of the independent sector. Of the 29 identified industries with a not-for-profit presence, 9 that used the terminology in the Rudney and Weitzman study were not considered here for the purpose of measuring the independent sector because they were not charitable organizations in the 501(c)(3) or (c)(4) codes for tax-exempt organizations. The employment estimates from 1972 to 1982 were then compared with the 1982 Census of Service Industries data or with estimates in areas of agreement as shown on Table A.1.

Between 1977 and 1982, the Census of Service Industries recorded a 30.8 percent increase in parts of the independent sector that were included in both censuses. For social services as a whole, which account for about half of all sector employment, Rudney and Weitzman estimated a 36.5 percent increase during the same period, compared with the 33.6 percent estimated by the Census of Service Industries. Within the social service area, however, the two sources gave widely conflicting estimates. For example, for child day care services, Rudney and Weitzman estimated a 15.5 percent increase in the independent sector component, compared with the 32.1 percent increase reported by the Census of Service Industries. And for individual family services, Rudney and Weitzman estimated a 96.2 percent increase, whereas the Census of Service Industries reported an increase of 45.8 percent.

Social services are an important part of the independent sector, but this segment has been particularly difficult to estimate because the Bureau of Labor Sta-

APPENDIX A—TABLE A.1

EMPLOYMENT ESTIMATES, 1982 and 1977: SELECTED COMPARISONS OF INFORMATION FROM THE CENSUS OF SERVICE INDUSTRIES (CSI) AND RUDNEY AND WEITZMAN

SIC		1982			1977		
		Rudney and Weitzman	CSI	Percentage Column (2) divided by column (1) x 100	Rudney and Weitzman	CSI	Percentage Column (4) divided by column (5) x 100
		(000s) (1)	(000s) (2)	(000s) (3)	(000s) (4)	(000s) (5)	(000s) (6)
805,8,9	Selected health services	459.1	476.2	96.4%	337.6	333.0	101.4%
805	Nursing and personal care facilities	255.5	283.2	90.2	206.4	201.8	102.3
83	Social services	959.2	903.9	105.3	702.8	676.5	103.9
832	Individual family services	220.7	244.0	90.4	112.4	167.4	67.1
835	Child day-care services	163.2	135.3	120.7	141.3	102.4	137.9
864	Civic, social and fraternal organizations	301.6	295.8	102.0	305.4	255.9	119.4
	Total for industries in both 1982 and 1977 censuses	1,928.2	1,867.9	103.2%	1,515.4	1,427.6	106.2%

Sources: Rudney and Weitzman, "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982"; and *Non-Profit Service Organizations: 1982*, assembled by the National Center for Charitable Statistics.

SIC = Standard Industrial Classification.

tistics and the Bureau of the Census include different components. The procedure used to estimate independent sector employment for social services appears adequate so long as the proportions between the for-profit and the not-for-profit sectors change very little. Accordingly, the Nonprofit Sector Project at The Urban Institute is helping to fill the information gap in social services, particularly with respect to their finances.

The prospect for filling the gap in employment information has brightened because the question on employment planned for the 1990 Census has been expanded to include nonprofit organizations. Previously, Americans were asked whether they worked for a public or private agency or organization. In the preliminary test of the content for the 1990 Census, Americans will be asked whether they work for a public, a for-profit, or a nonprofit agency or organization. If this question is retained on the 1990 Census, for the first time, a figure for total employment in the nonprofit sector will become available.

Another limitation in examining the nonprofit sector is the Standard Industrial Classification itself, which does not show the diversity of the independent sector. For example, nearly half of the social service organizations are coded under "not elsewhere classified." In 1984, the National Center for Charitable Statistics, a recently incorporated program of the INDEPENDENT SECTOR, launched a project to develop a national classification system for the independent sector. This classification is being tested in California, New Jersey, and Oregon. It will also be used by the the Internal Revenue Service to classify its national samples of foundations and nonprofit, charitable organizations. If this system should prove to be more effective than the one currently employed, efforts will be made to participate in the major revisions of the Standard Industrial Classification code planned to go into effect in the early 1990s.

The Census of Service Industries, which is conducted every five years by the Bureau of the Census, is another basic source of information for the sector. However, as we discuss later, the Census of Service Industries eliminated education, hospitals, and other groups from the 1982 Census. Between censuses, data on employment and wages and salaries are updated by using (1) the Bureau of Labor Statistics information pertaining to employees on nonagricultural payrolls by industry, which is collected monthly; and (2) the information on employment and wages and salaries estimated from the Bureau of Labor Statistics Employment Security 202 programs, which are associated with unemployment insurance activities. Where Bureau of Labor Statistics data lack detail, we have used data from the County Business Patterns series produced by the Bureau of the Census; a drawback of these data, however, is the time lag between the time of collection and the time of publication.

Once we established employment, we used data from the Income Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce to prepare estimates of employee compensation that include fringe benefits and to relate the independent sector to the rest of the U.S. economy.

Finally, volunteer time represents about two-thirds of paid employment and about 40 percent of total employment in the independent sector. We used the 1981 and the 1985 Gallup surveys on volunteers commissioned by INDEPENDENT SECTOR to estimate the number of hours volunteered, the number of full-time equivalent employees that those volunteers represented, and the value of volunteer time.

Although we were able to estimate the number of volunteers and the value of their time for the total independent sector for 1980, we were not able to provide these figures by subsector. In 1985, we replicated and expanded the Gallup survey on volunteers to redress some of the gaps in the earlier survey. We retained the broad outlines of the earlier survey, but asked respondents for more detail about their specific activities and the type of organization—nonprofit, for-profit, or government—for which they worked. With the findings from this survey, we were able to estimate more accurately the value of volunteer time for each sector of the economy and the number of hours and the value of volunteer time for each subsector of the independent sector. These estimates allow us to add the value of contributed time of volunteers to the current National Income Accounts.

Number of Institutions

Another way to determine size of the independent sector is to estimate the number of institutions in the sector. Besides the Census of Service Industries, which includes only organizations that have at least one paid employee, the Internal Revenue Service has two major data bases: the cumulative master file of tax-exempt organizations and the file of organizations that are required by law to submit the 990 tax form for tax-exempt organizations. One problem with estimating the total number of tax-exempt organizations is that organizations with less than $25,000 in revenues do not have to file. Another problem is that the Internal Revenue Service only rarely weeds the organizations that have gone out of existence from its cumulative master file. Estimates of the numbers of nonprofit organizations that do not have to apply for tax exemption range from a few hundred thousand to several million. Although these organizations do not significantly change the overall financial estimates of the sector, not counting them greatly understates the activity of this sector. Without accurate records, estimating the growth or decline of the sector in terms of numbers of institutions is very difficult.

Religious organizations do not have to file for tax exemption. Although some do, blanket exemptions can be given to cover all churches of a single denomination. This also is true for other nonprofits such as the Boy Scouts, which can file one exemption to cover several thousand Boy Scout organizations. We relied on the *Yearbook of American and Canadian Churches*, published annually by the National Council of the Churches of Christ in the U.S., and other surveys to account for the number of churches. We reported the Internal Revenue Service numbers on tax-exempt organizations, but also tried to double-check these numbers against the Census of Service Industries figures and the organizations reported in the County Business Patterns series.

Financial Information

To develop the finances of the sector, we used a combination of sources including the American Association of Fund-Raising Counsel for total giving, the Conference Board for corporate contributions, the Counsel for Financial Aid to Education and the National Center for Education Statistics for education, the American Hospital Association for hospitals, and the Census of Service Industries for many of the remaining subsectors. We built financial information where possible from the various industry surveys by the Standard Industrial Classification code using estimates from the Census of Service Industries, the Bureau of Labor Statistics, and the National Income Accounts. For human services, we used data from the Nonprofit Sector Project of The Urban Institute. Basically, our accounts included estimates for compensation of employees (wages and salaries and fringe benefits), endowments, and other expenditures.

In 1983-84, the Internal Revenue Service through its Statistics of Income Division renewed its program for collecting annual samples of private foundations and tax-exempt organizations. (The last Statistics of Income samples had been collected and analyzed in 1974-75.) These Statistics of Income samples are rigorously verified by organizations and foundations and thus can provide an an accurate picture of the financial condition of foundations and tax-exempt organizations over time. These samples also provide the first information on assets of the independent sector, apart from those of religious organizations, since 1975.

In 1984, the National Center for Charitable Statistics protested to the Internal Revenue Service about the inaccurate coding of information for the tax-exempt organization file of all organizations filing the 990 or 990PF forms. After the Statistics of Income Division conducted a study of the coding of forms for the 990 file and found exceptionally high error rates, the Internal Revenue Service agreed to change and correct its current system. Master tapes will not be available for public use until the new system is in place at the end of 1987 or 1988.

During this same period, the Statistics of Income Division's budget was cut by 25 percent. Because many of its studies are mandated by legislation, the series up for cancellation were the tax-exempt organizations and foundation samples. To offset a total lack of information on the independent sector for two or three years, the National Center for Charitable Statistics entered into a partnership with the Statistics of Income Division and raised enough money from private donors to save these samples for two years. During these two years, the National Center for Charitable Statistics and INDEPENDENT SECTOR will work to get these samples mandated into legislation just as statistics from individual tax returns, corporate tax returns, and a host of other studies are mandated.

Because these Statistics of Income samples exist, we have been able in this second edition of *Dimensions* to have another check on the total sources and uses of funds for the sector. We have also been able to estimate the assets of the sector. Because these samples will continue to be taken for at least the next two years, we will, for the first time, have some longitudinal financial data on nonprofit, charitable organizations. These data will improve the accuracy of the estimates of the size, scope, and financial trends of this sector.

From all these sources, we have been able to draw up a balance sheet for the sector estimating the total sources of support from dues and charges, private contributions, endowments, other income, government support, and volunteer time. On the expenditure side, we derived estimates for the cost of labor and other expenditures. As more years in the new Statistics of Income samples series become available, we will be able to estimate total expenditures for wages and salaries, administrative costs, fund-raising costs, program expenditures, and other operating expenditures, which will give us a much better view of the operations of this sector.

Two sources of support are receiving more attention: individual giving and the level of support from government to nonprofits. A survey by Yankelovich, Skelly and White, Inc., on the charitable behavior of Americans was commissioned by the Rockefeller Brothers Fund in 1985. This study examined both how much Americans give and why they give. It is the first such study completed since the Surveys on Philanthropy conducted in 1974 by the Michigan Survey Institute for the Filer Commission. Such surveys, if conducted every two or three years, will allow researchers to measure the size of giving, to assess the motivations for giving, and to learn to what organizations gifts are given. It also will allow organizations like the American Association of Fund-Raising Counsel to more precisely determine the amount of contributions by area of activity. These surveys also are helpful in developing more precise estimates on private contributions for *Dimensions*. The matching of these surveys on giving with the institutional data in the Statistics of Income samples will enable us to check on both the distribution and the use of contributions by nonprofit organizations.

As part of the Nonprofit Sector Project, Lester Salamon and his colleagues at The Urban Institute have traced the amount of federal funding going to the nonprofit sector over a period of years. This information, which is updated each year, is a rich source of information on trends in federal funding to nonprofit organizations by subsector. We have used Salamon's findings to estimate government funding to the nonprofit sector. His research is particularly valuable in the social service area, because the Census of Service Industries provides detailed information on such organizations only every five years.

Continuing Gaps in Information

Although data collection has greatly improved since the first publication of *Dimensions* in 1984, many gaps in information remain. Some of these gaps can be addressed by slightly revising current federal collections, but others call for new collections of information.

Employment data for nonprofit organizations could be produced routinely by using Treasury Form 941 for income withholding and payments for the Social Security programs.[3] Since 1984, all nonprofit organizations have been required to cover their employees under the Social Security program, so the gaps in coverage of nonprofit organizations in different sectors have been closed. Employment data on the independent sector could be obtained regularly by matching the employer identification number from Form 941 with the organizations on the master file of tax-exempt organizations. Further merging of employment data could be accomplished by joining the employment data with the 990 tax forms for tax-exempt organizations. If these changes were implemented, profiles of tax-exempt organizations by subsector could become routinely available, greatly enlarging the amount of information available to researchers.

Although the Internal Revenue Service collects the 990 tax forms from nonprofits with more than $25,000 in revenue, it only reports total assets and revenues. An effort needs to be made to increase this reporting to include the total sources of revenue and expenditures by line item. This information, if merged with employment data, would begin to provide some universal financial data on nonprofit organizations.

In addition to the need for information on employment by organization, there is a need for information on the personal characteristics and occupations of people employed in the independent sector. Such information could be readily obtained if the Bureau of Labor Statistics and the Bureau of the Census were to agree to carry a code for nonprofit, rather than simply private and public, organizations in the Current Population Survey and other surveys. This information would allow us to monitor the percentage of professional, managerial, and nonprofessional jobs provided by the independent sector. Data on these occupations, coupled with information on occupations of volunteers, would permit us to improve our description of the functions and activities provided by this sector.

A new volunteer survey in 1985 conducted by the Gallup Organization and commissioned by INDEPENDENT SECTOR provided more detail on volunteers and their occupations. However, the 1990 Census ought to include one general question on volunteers. Simply asking all Americans whether they did volunteer work would provide universe data by the nation, state, and community. Currently, only unemployed household members will be asked if they volunteer. The way the question is asked assumes that only persons who are not in the labor force do volunteer work, when in fact most volunteer work is done by persons in the paid labor force.

More research is needed on all forms of corporate contributions. The research conducted by the Conference Board on forms of corporate assistance other than money and donations of equipment and products should to be expanded. National surveys on corporate contributions beyond the top 500 corporations should be carried out regularly. Furthermore, a survey of the size, scope, and type of corporate contributions beyond those reported on corporate tax returns as contributions needs to be done to give us a better estimate of the scope of corporate activity in the nonprofit sector. Until such studies are conducted, corporate contributions and corporate activity in the sector will remain understated.

Several industry studies are needed to fully describe the independent sector where regular data are not collected at all. One such study is a survey of the finances and activities of religious institutions. The last such survey was conducted in 1972 for the Filer Commission. Initial meetings with religious leaders and planning for such a survey are now under way at INDEPENDENT SECTOR. Should the religious community agree to cosponsor such an updated survey, it could take place in late 1986 or early 1987. This information, along with the Statistics of Income, and information on social service organizations through the Nonprofit Sector Project at The Urban Institute, would provide the first baseline information on the finances and activities of this sector. Other subsectors that need more regular industry studies are arts and cultural organizations and organizations involved in international activities.

Finally, as some of these ground-breaking surveys are completed, it is important to evaluate what kinds of information need to be regularly collected for this sector, how often different kinds of information need to be collected, and what new information needs to be collected in order to adequately describe this sector. As the description of this sector becomes more precise, we need to explore what major national accounts need to be revised, such as the National Income Accounts, to fully account for the activities of the independent sector of American society. Toward the end of 1986, INDEPENDENT SECTOR plans to convene a group of scholars to develop a long-range agenda for the collection of critical information needed on the sector by both federal agencies and private organizations. Such an agenda is needed to put in place a more permanent information base from which to chart and describe this sector in the decades ahead.

APPENDIX A—Notes

[1]Hodgkinson and Weitzman. *Dimensions of the Independent Sector: A Statistical Profile.* Washington, D.C.: INDEPENDENT SECTOR, 1984.

[2]Rudney and Weitzman. "Significance of Employment and Earnings in the Philanthropic Sector, 1972-1982," Working Paper 77. New Haven: Program on Non-Profit Organizations, Yale University, 1983.

[3]Weitzman. "Federal Statistical Data Sources and the Program for the National Center for Charitable Statistics." Washington, D.C.: INDEPENDENT SECTOR, January 1984.

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APPENDIX B
GLOSSARY

Some of these definitions have been taken from other publications, including the "Glossary of Philanthropic Terms" in the Council of Foundations' *Corporate Philanthropy* (1982) and the U.S. Bureau of the Census's *Statistical Abstract of the United States 1985* and *Social Indicators III*. Many of the definitions from these publications have been revised to reflect their specific relationship to the independent sector. Other definitions of specific terms used to describe the functions of activities of this sector, such as the "assigned value for volunteer time," have been written by the authors.

Assigned value for volunteer time. The monetary value of volunteer time calculated as the total number of hours formally volunteered to organizations in a year multiplied by the hourly wage for nonagricultural workers for that year, as published in the *Economic Report of the President*, and increased by 12 percent to estimate the value of fringe benefits. Assigning a dollar value to volunteer time permits a comparison of the value of volunteer employment with the value of paid employment in the independent sector and other sectors of the economy. *See also* **Volunteer.**

Average. A single number or value that is often used to represent the "typical value" of a group of numbers. It is regarded as a measure of "location" or "central tendency" of a group of numbers.

The *arithmetic mean* is the type of average used most frequently. It is derived by summing the values of individual items in a particular group and dividing the total by the number of items. The arithmetic mean is often referred to as simply the "mean" or "average."

The *median* of a group of numbers is the number or value that falls in the middle of a group when each item in the group is ranked according to size (from lowest to highest or vice versa); the median generally has the same number of items above it as below it. If there is an even number of items in the group, the median is taken to be the average of the two middle items.

Per capita (or per person) quantities. A per capita figure represents an average computed for every person in a specified group (or population). It is derived by taking the total for an item (such as income, taxes, or retail sales) and dividing it by the number of persons in the specified population.

Average annual percentage change. A figure computed by using a *compound interest formula*. This formula assumes that the rate of change is constant throughout a specified compounding period (one year for average annual rates of change). The formula is similar to the one used to compute the balance of a savings account that earns compound interest. According to this formula, at the end of a compounding period the amount of accrued change (e.g. employment or bank interest) is added to the amount that existed at the beginning of the period. As a result, over time (e.g., with each year or quarter), the same rate of change is applied to an ever larger figure.

Assets. Financial holdings of a foundation that may provide some or all of its grant-making income through investments. *See also* **Endowment.**

Charitable contribution. A gift to a charitable cause that is allowed as a deduction from taxable income by the Internal Revenue Service. Both individual taxpayers and corporations can deduct contributions for charitable causes from their income tax.

Community foundation. A public charity supported by combined funds contributed by individuals, foundations, nonprofit institutions, and corporations. A community foundation's giving is limited almost exclusively to a specific locale, such as a city, a county or counties, or a state. Although such a foundation seeks funds to be held as an endowment, with the income used to make grants, the foundation accepts funds from donors who authorize principal to be used to make grants, in whole or in part. Donors may designate specific charitable agencies or provide that grants be made for charitable purposes at the discretion of the foundation's public board. Many community foundations also permit donors to advise them as to the agencies and activities to be considered for grants.

Constant-dollar estimates. A computation that removes the effects of price changes from statistical series reported in dollar terms. Constant-dollar series are derived by dividing current-dollar estimates by appropriate price indexes, such as the Consumer Price Index, or by the various implicit price deflators for the gross national product. The result is a series as it would presumably exist if prices remained the same throughout the period as in the base year—in other words, as if the dollar had constant purchasing power. Any changes in such a series would reflect only changes in the real (physical) volume of output. See *also* **Current dollars.**

Corporate contributions. A general term referring to charitable contributions by a corporation. The term is usually used to describe cash contributions only but may also include other items, such as the value of loaned executives, products, and services.

Corporate foundation. A private philanthropic organization set up and funded by a corporation. A corporate foundation is governed by a board that may include members of the corporation board and contributions committee, or other staff members, and representatives of the community. Although corporate foundations are subject to the same rules and regulations as other private foundations, many do not have substantial assets of their own but depend on funds paid by the corporation to the foundation each year.

Corporate social responsibility program. A philanthropic program operated within a corporation. The program may be managed through a department of its own or through a community affairs (or similar) department. Grant-making policy is usually determined by a contributions committee.

Current dollars. The dollar amounts that reflect the value of the dollar at the time of its use. *See also* **Constant dollars.**

Durable goods. Goods that have an average life of at least three years. Automobiles, boats, furniture, and household appliances account for most expenditures for durable goods. Because expenditures for durable goods are generally postponable, they are the most volatile component of consumer expenditures.

Employment. *See* **Labor force.**

Endowment. Stocks, bonds, property, and funds given permanently to a foundation so that it may produce its own income for grant-making purposes.

Form 990. The annual tax return that private foundations (including corporate foundations) and other tax-exempt organizations with revenue of more than $25,000 must file with the Internal Revenue Service. A similar form is also filed with the appropriate state offices. This tax return includes information about the organization's assets, income, operating expenses, contributions, paid staff and salaries, names and addresses of persons to contact, and program areas. Private foundations file Form 990-PF.

Foundation. A nongovernmental, nonprofit organization with funds and a program managed by its own trustees and directors, established to further social, educational, religious, or other charitable activities by making grants. A private foundation receives its funds from, and is subject to control by, an individual, family, corporation, or other group consisting of a limited number of members. In contrast, a community foundation receives its funds from multiple public sources and is classified by the Internal Revenue Service as a public charity.

Full-time equivalent volunteers. A figure derived from an estimation procedure used to transform total hours formally volunteered to organizations into a figure equivalent to the value of full-time paid employment. The total number of these volunteer hours for a particular year is divided by 1,700 hours (which is a reasonable approximation of actual hours worked by a full-time worker during a year). (Such a figure allows for comparison between the contributions of volunteers and full-time paid employees in the independent sector and other sectors of the economy.) See *also* **Volunteer.**

Gross national product (GNP). The total national output of final goods and services valued at market prices. *See also* **National income.**

Independent sector. The portion of the economy that includes all 501(c)(3) and (c)(4) tax-exempt organizations as defined by the Internal Revenue Service; all religious institutions, such as churches and synogogues; all social responsibility programs of corporations; and all persons who give time and money to serve charitable purposes. The independent sector is also referred to as the voluntary sector, the nonprofit sector, or the third sector. *See also* **Section 501(c)(3) organizations,** and **Section 501(c)(4) organizations.**

Index numbers. A measure of difference or change, usually expressed as a percentage, relating one quantity (the variable) of a specified kind to another quantity of the same kind. Index numbers are widely used to express changes in prices over periods of time but may also be used to express differences between related subjects for a single point in time.

To compute a price index, a base year or period is selected. The base year price of the commodity or service is then designated as the base or reference price to which the prices for other years or periods are related. Many price indexes use the year 1967 as the base year; in tables, this is shown as "1967 = 100." A method of expressing the price relationship is:

$$\frac{\text{Price of a set of one or more items for related year}}{\text{Price of the same set of items for base year}}$$

The result multiplied by 100 provides the index number. When 100 is subtracted from the index number, the result equals the percentage change in price from the base year.

Labor force. The civilian labor force is the sum of employed and unemployed civilian workers. The total labor force is the sum of the civilian labor force and the Armed Forces. Employed persons are all persons 16 years old and older in the civilian noninstitutional population who, during the reference week, worked at all as paid employees or in their own business or profession or on their own farm, or who worked 15 hours or more as unpaid workers in an enterprise operated by a family member. For the purposes of this profile, the full-time equivalent employment of volunteers has been added to the traditional definition of the labor force. Also included are workers who were not working but who had jobs or businesses from which they were temporarily absent because of illness, vacation, bad weather, labor-management dispute, or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once. Workers holding more than one job are counted in the job at which they worked the most hours during the reference week.

Full-time workers are those who were employed 35 hours or more the reference week. Part-time workers are those who were employed less than 35 hours during the reference week. Year-round, full-time workers are those who worked 35 hours or more per week for 50 to 52 weeks (including paid vacation) during a specified year. Part-year (or seasonal) workers are workers whose employment is intermittent or restricted to certain seasons of the year.

National income. The earnings of the private sector plus compensation (wages and salaries and fringe benefits) earned by government employees during a specified period of time. Earnings are recorded in the forms in which they are received, and they include taxes on those earnings. Earnings in the private sector consist of compensation of employees, profits of corporate and incorporated enterprises, net interest, and rental income of persons. National income is a component of the gross national product (GNP), which expresses in dollars the market value of final goods and services produced in the nation's economy within a specified period of time. National income is less than GNP mainly because it does not include capital consumption (depreciation) allowances and indirect business taxes.

Noncash (in-kind) contribution. An individual or corporate contribution of goods or commodities as distinguished from money. Noncash contributions from individuals can include such items as clothing, art works, food, furniture, and appliances. Noncash contributions from corporations may also take a variety of forms, such as donation of used office furniture or equipment; access to the company's computer to keep mailing lists or financial records; and donation of printing services, office space, or professional services of employees. Although noncash contributions from individuals are tax-deductible, noncash contributions from corporations generally are not. *See also* **Corporate contributions.**

Nondurable goods. Goods that have an average life of less than three years. Food, beverages, clothing, shoes, and gasoline are predominant among the nondurable goods category.

Nonprofit. A term describing the Internal Revenue Service's designation of an organization whose income is not used for the benefit or private gain of stockholders, directors, or any other persons with an interest in the company. A nonprofit organization's income is used to support its operations. Such organizations are defined under the 501(c) section of the federal tax code. Nonprofit organizations that are included in the definition of the independent sector are those nonprofit, tax-exempt organizations that are included in the 501(c)(3) and 501(c)(4) sections of the code. *See also* **Section 501(c)(3),** and **Section 501(c)(4).**

Operating foundation. A private foundation that, although lacking general public support, devotes most of its earnings and assets directly to the conduct of its tax-exempt purposes (for example, operating a museum or home for the aged) rather than making grants to other organizations for these purposes.

Payout requirement. The Internal Revenue Code requirement that all private foundations, including corporate foundations, pay out annually in grants and contributions the equivalent of 5 percent of the value of their investment assets.

Percentage of pretax net income. The percentage of income, before calculation of income taxes, that a corporation earmarks for philanthropic use. (Percentages based on domestic income and worldwide income differ greatly for some corporations.) This is the most common measurement used in analyzing corporate giving. It is also used by many companies to establish a contributions goal. *See* **Pretax net income.**

Personal consumption expenditures. Expenditures for goods and services purchased by individuals; operating expenses of nonprofit institutions; the value of food, fuel, clothing, rent of dwellings, and financial services received in kind by individuals; and net purchases of used goods. All private purchases of dwellings are classified as gross private domestic investment.

Personal consumption expenditures, per capita. Total personal consumption expenditures divided by the appropriate population base. Per capita components of personal consumption expenditures are derived in the same way.

Personal income. The income received by persons from all sources. It is the sum of wage and salary disbursement, other labor income, proprietors' income, rental income of persons, dividends, personal interest income, and transfer payments, less personal contributions for social insurance. Per capita personal income is total personal income divided by the appropriate population base.

Public charity. Charitable organizations so designated under Section 501(c)(3) by the Internal Revenue Service qualify as public charities, private operating foundations, or private foundations. A public charity that is identified by the IRS as "not a private foundation" (as defined in Section 509) normally receives a substantial part of its income, directly or indirectly, from the general public or from government. The public support must be fairly broad, not limited to a few individuals or families.

Pretax net income. A corporation's annual net income, before it has paid taxes. The Internal Revenue Service allows corporations to deduct up to 10 percent of the corporation's taxable income as contributions to charitable organizations, and to carry forward such contributions in excess of 10 percent over a five-year period. Corporations do not usually release information on their taxable income, however, and data collected by groups such as the Conference Board are based on income before calculation of income taxes. Taxable income and income before taxes may be similar or very different, depending on the industry and the corporation's tax structure.

Section 501(c)(3). The Internal Revenue Code section that defines tax-exempt organizations organized and operated exclusively for religious, charitable, scientific, literary, educational, or similar purposes. Many foundations restrict their grant-making to 501(c)(3) organizations. Contributions to 501(c)(3) organizations are deductible as charitable donations for federal income tax purposes. These organizations makes up part of the universe of the independent sector.

Section 501(c)(4). The Internal Revenue Code section that defines tax-exempt organizations organized to operate as civic leagues, social welfare organizations, and local associations of employees. They are included in the universe of the independent sector.

Standard Industrial Classification. The classification system and definition of industries in accordance with the composition of the economy as developed by the federal government and published in the *Standard Industrial Classification Manual.* Although this classification is designed to cover all economic activity in the U.S. economy, government statistical collections emanating from this classification system do not distinguish between private, nonprofit organizations and private, for-profit organizations. Because this system does not adequately classify service industries, a major revision is planned in 1991. Many voluntary organizations would be excluded from the classification system as it now stands because they do not have paid employees.

Tax-exempt. A classification granted by the Internal Revenue Service to qualified nonprofit organizations which frees them from the requirement to pay taxes on their income. Private foundations, including endowed company foundations, are tax-exempt; however, they must pay a 1 percent excise tax on net investment income. All 501(c)(3) and (c)(4) organizations are tax-exempt.

Volunteer. A person who gives time to help others for no monetary pay. Formal volunteering is defined as giving a specified amount of time to organizations such as hospitals, churches, or schools. Informal volunteering may be distinguished from formal volunteering in two ways: (1) The person who contributes time informally does not necessarily work through an organization; such informal volunteering can include helping an elderly neighbor or baking a cake for a local Girl Scout troop. (2) If the volunteer contributes time to an organization, it is done on an informal basis rather than with a regular commitment, such as working at a hospital for three hours each week.

In order to estimate the total number of people 14 years of age and older who volunteered time in any one year, the percentage of that population who reported doing volunteer work is multiplied by the civilian, noninstitutional population for persons 14 years old and older as reported by the U.S. Bureau of the Census for the appropriate period. Both formal and informal volunteer hours are used in these calculations. *See also* **Assigned value for volunteer time, Full-time equivalent volunteers,** and **Volunteer hours.**

volunteered per week.

Volunteer hours. The average number of hours per week volunteered and the total number of hours volunteered by the population in a particular year.

To calculate the average hours volunteered per week, the volunteer hours are estimated by using information on volunteering reported for the most recent time period in a particular survey, such as three months or one week, by activity area such as health or religion. These hours are then totaled and multiplied by the percentage of persons in the population in that period who reported volunteering in that area.

Total volunteer hours are calculated by multiplying the percentage of the population volunteering in each of the 14 activity areas specified in the Gallup surveys (health, education, etc.) by the average volunteer hours worked in each of the areas. Then all the figures for these areas are summed to get the total number of hours per time period. If the particular time period is three months, these totals would then be multiplied by 4 in order to arrive at the total hours volunteered in a particular year. *See also* **Volunteer.**

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Current operating expenditures, 2.9, 2.10, 4.1, 4.2, 4.11, 4.12, 4.16
Employment, 2.9, 2.10, 4.6, 4.8, 4.12, 4.16
Number, 4.10
Wages and salaries, 2.9, 2.10, 4.7, 4.12, 4.16

Libraries
See **Education and research.**

Museums
See **Arts and cultural organizations**

National income
Assigned values for volunteers, 1.1, 1.11
Business, 1.1, 1.11
Government, 1.1, 1.11
Independent sector, 1.1, 1.11
Nonprofit organizations, 1.1, 1.11
Total, 1.1, 1.11

Nonprofit organizations
  Contributions to, 3.43, 3.51, 3.52, 3.53
  Current operating expenditures, 1.7, 1.8, 1.9
  Employment, 1.3, 1.11, 2.6, 2.7, 4.4, 4.5
  Gross national product, 1.9
  National income, 1.1, 1.11
  Number, 1.4, 1.6, 1.11, 2.6, 2.7
  Per capita current operating expenditures, 1.7, 1.8
  Personal consumption expenditures, 1.9
  Services, 1.9
  Type, 1.4
  Volunteers, 1.1, 1.2, 1.3, 1.11, 2.3, 2.10, 3.22, 3.26, 3.27, 3.28, 3.32, 4.9
  Wages and salaries, 1.2, 1.11, 4.5

Nursing and personal care facilities
  See **Health services.**

Operating foundations
  See **Foundations.**

Orchestras
  See **Arts and cultural organizations.**

Other, including holding of funds
  See **Annual funds.**

Other receipts
  See **Annual funds.**

Outpatient and allied care
  See **Health services.**

Payments, private sector
  See **Annual funds.**

Personal income
  See **Contributions.**

Private sector
  See **Business, Foundations, and Nonprofit organizations**

Producers, orchestras, and entertainers
  See **Arts and cultural organizations.**

Religious institutions (churches, synagogues, etc.), and organizations
  Annual funds, 4.1, 4.2, 4.3
  Contributions to, 3.3, 3.7, 3.8, 3.10, 3.11, 3.12, 3.42, 3.43, 4.1, 4.2
  Current operating expenditures, 2.9, 2.10, 4.1, 4.2, 4.11, 4.12, 4.16
  Employment, 1.10, 2.9, 2.10, 4.6, 4.8, 4.12, 4.16
  Number of churches and synagogues, 1.5, 1.6, 4.10
  Volunteers, 2.10, 3.22, 3.26, 3.27, 3.28, 3.32, 4.9
  Wages and salaries, 2.9, 2.10, 4.7, 4.12, 4.16

Radio and TV broadcasting
  See **Arts and cultural organizations.**

Research organizations
  See **Education and research.**

Residential care
  See **Social services.**

Schools
  See **Education and research.**

Secondary schools
  See **Education and research.**

Social services
  Annual funds, 4.1, 4.2, 4.3
  Components, 4.6, 4.7, 4.8, 4.11, 4.12, 4.14
  Contributions to, 3.42, 3.43, 3.51, 3.52, 3.53, 4.1, 4.2
  Current operating expenditures, 2.9, 2.10, 4.1, 4.2, 4.11, 4.12, 4.14
  Employment, 1.10, 2.9, 2.10, 4.6, 4.8, 4.12, 4.14
  Number, 4.10
  Volunteers, 2.10, 3.22, 3.26, 3.27, 3.28, 3.32, 4.9
  Wages and salaries, 2.9, 2.10, 4.7, 4.12, 4.14

Volunteers
  Activity areas, 3.22, 3.26, 3.27, 3.28, 3.32, 4.9
  Assigned values, 1.1, 1.2, 1.8, 1.11, 2.3, 2.10, 4.9
  Attitudes toward volunteering, 3.33
  Business, 1.1, 1.2, 1.3, 1.11, 3.28, 4.9
  Characteristics of, 3.25, 3.29, 3.32, 3.33
  Contributions to charity, 3.32
  Current operating expenditures, 1.8, 2.10
  Employment (full-time equivalent), 1.3, 1.11, 2.3, 2.10, 4.9
  Government, 1.1, 1.2, 1.3, 1.11, 3.28, 4.9
  Hours, 3.21, 3.24, 3.29, 3.32
  Independent sector, 1.1, 1.2, 1.3, 1.11, 2.10, 3.28, 4.9
  Jobs, type, 3.23
  National income, 1.11
  Nonprofit organizations, 1.1, 1.2, 1.11, 3.28, 4.9
  Number in population, 3.21, 3.26, 3.27
  Reasons for volunteering, 3.30, 3.31, 3.32
  Wages and salaries, 1.2, 1.11, 2.10

Wages and salaries
  Assigned value for volunteers, 1.2, 1.11, 2.5, 2.10
  Business, 1.2, 1.11
  Government, 1.2, 1.11
  Independent sector, 1.2, 1.11, 2.2, 2.5, 2.7, 2.9, 2.10, 4.5, 4.7, 4.12, 4.13, 4.14, 4.15, 4.16, 4.17, 4.18
  Nonprofit organizations, 1.2, 1.11, 2.7, 4.5
  Total, 1.2, 1.11, 4.5